

Vassiliou hunts for elusive common ground on Cyprus

BY ANDRIANA IERODIACOMOU IN ATHENS

MR GEORGE VASSILIOU, the newly elected President of Cyprus, has called on the British Government to help bring about a meeting between himself and Mr Turgut Ozal, the Turkish Prime Minister, for discussions on a settlement for the divided island republic.

Mr Vassiliou is expected to raise the subject directly with Mrs Margaret Thatcher, the British Prime Minister, during an official meeting in London on March 31.

The Cypriot President also stated in an interview with the Financial Times that he is ready to meet Mr Raouf Denktash, the leader of the Turkish Cypriot minority community, for settlement talks under the auspices of the United Nations. He called for a substantive agenda and a strict timetable to be set.

Mrs Thatcher is due to visit Ankara in April. Mr Vassiliou hoped that she would urge Mr Ozal to agree to meet him. "It is a message which I would very much like her to convey," he said.

The President indicated that the meeting could take place on neutral ground in order to bypass the objections raised by Ankara regarding his status. Turkey has so far sidestepped Mr Vassiliou's invitation, first issued after his election to the Cypriot presidency last month, by referring him to Mr Denktash.

Turkey invaded and occupied the northern part of Cyprus in 1974, in response to a coup staged by the Greek junta on the island. It subsequently became the sole country to recognise a breakaway "state" declared by the Turkish Cypriots in the occupied zone in 1983. By extension Turkey is the only country not to recognise the Republic of Cyprus.

Turning to a prospective meeting with Mr Denktash, Mr Vassiliou said this must be substantive and subject to a strict timetable, with the agenda and the time frame to be drawn up by the UN Secretary-General. Mr Javier Perez de Cuellar. "We want the United Nations to continue playing its role, because our basic position is that we want a solution to the Cyprus problem to come only from within the UN framework, not outside it," the Cypriot President said.

However, the new President said he regarded as a "provocation" a proposal by Mr Denktash that the two men should have non-substantive "get-acquainted" talks, in their capacity as Greek and Turkish-Cypriot community leaders.

Mr Vassiliou said he considers the most recent UN draft settlement plan for Cyprus, presented by Mr Perez de Cuellar in 1986, "unworkable and therefore unacceptable."

The plan envisaged a bi-zonal federated state with a Greek Cypriot President and Turkish Cypriot vice President, both with powers of veto. It also provided for a bicameral house with separate majorities required for key issues.

The plan was accepted by the Turkish Cypriots but rejected by Mr Vassiliou's predecessor in the Cypriot presidency, Mr Spyros Kyprianou, on grounds that it did not address the issues of Turkish troop withdrawal, guarantees, and the freedom of movement, settlement and property ownership throughout the proposed state.

"It is as though one had drawn up the legal documents for purchasing a piece of property in the City of London and agreed on all the clauses except the one setting the price," Mr Vassiliou said.

"For example, how can a democratic system work - and I assume that that is the system that everyone wants - if it refuses the right to a substantial number of people to go back to the town or villages where they were born?"

The Cypriot President described the proposed constitutional arrangements as "a recipe for disaster, which makes sure that there will be no rapprochement between the Greek and Turkish Cypriot communities for another thousand years."

The President added that the question of guarantees cannot be settled without an international conference on the Cyprus problem under UN auspices. Mr Vassiliou rejected the argument, advanced in the past by Washington, that such a conference would involve the Soviet Union in the affairs of Cyprus, which hosts two British sovereign bases and is strategically placed with respect to the Middle East.

"It is the Cyprus which will decide the relations between the superpowers. And I can't see any world problem that can be solved today without an understanding between the superpowers," Mr Vassiliou said.



Vassiliou: offer to Denktash

Robert Thomson on tensions that could lead to China-Vietnam clashes

Lure of the Spratlys' empty atolls

THE SPRATLYS are a motley collection of atolls, coral reefs and a few islands that have strategic value, depending on the tide. Yet five countries contest their ownership: China and Vietnam fought over them in recent days.

The cause of the clash has been obscured by the very different accounts released by Peking and Hanoi, both of which blame the other for firing the first shots and both of which have warned that further violations of territorial integrity will not be tolerated.

But both countries are unwilling to throw themselves into battle, because the Chinese have commandeered military facilities for civilian economic development and the Vietnamese are attempting to improve their international profile. A prolonged battle would complicate the delicate dialogue over Kampuchea, and compromise the Soviet Union's attempts to improve relations with China.

Regional claims

What the Vietnamese call the Truong Sa archipelago and the Chinese refer to as the Nansha islands are a group of 130 or so reefs, sandbanks and islands in the deep south of the South China Sea, spread over an area estimated by the Vietnamese to be 160,000 sq km. The distance from the nearest island to the Vietnamese coast is about 250 km, while 1,000 km separate the islands from China.



activity, which, Vietnam warned late last month, had caused "the situation to become dangerously tense."

It said: "We have time and again voiced our iron-clad determination to exercise our sacred right to defend our territorial sovereignty."

If the Chinese Communist Party was troubled by internal wrangling, then a clash with Vietnam would serve as a useful distraction. But there are few signs that such a distraction is needed and most diplomats have concluded that the clash was isolated.

The danger is that further incidents will provoke a tougher response from both sides, upping the military ante, and forcing the countries into a decisive battle.

Neither side has provided precise details about casualties, though the pro-Peking Hong Kong newspaper, Wen Wei Po, provided a more analytical account than the Chinese foreign ministry. The paper said Hanoi "was attempting to test the determination" of Chinese forces, which have been developing Taiping Island, near the site of the clash.

Hanoi admitted that three of its naval vessels were hit, and then accused Chinese warships of preventing Vietnamese vessels from coming to rescue the crews of the burning warships.

The encounter was a test for the Chinese navy, which is thought to be the most backward

of the country's armed services and is in the midst of a modernisation programme. Its development had been hindered by the guerrilla war mentality that lingered in the senior ranks of the Communist Party after the revolution in 1949.

South China Sea

The Spratlys have significance simply because of their position in the South China Sea, and their proximity to shipping lanes. There is a possibility that the region contains oil and gas reserves though little exploration has been done and the competing countries are unlikely to invest heavily while doubt hangs over their tenure.

Interestingly, the Soviet Union would be implicated in any major battle, as its base at Cam Ranh Bay would become a key centre for the Vietnamese military. Diplomats suggest that Moscow has advised Hanoi to exercise caution, and emphasised the importance that it places on better relations with Peking.

China could well institutionalise its claims by declaring the group to be a county of Hainan island, which is to the south of Hong Kong and one to be appointed as a province by the national people's congress, China's parliament, in coming days. Ownership of the Spratlys, is disputed by both countries and this group also is likely to be named a county of Hainan.



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OVERSEAS NEWS

Shamir says he returns unbowed from US visit

BY ANDREW WHITLEY IN JERUSALEM

MR YITZHAQ SHAMIR, the Prime Minister, returned to Israel yesterday from the US, claiming triumphantly to have beaten off pressure from the Reagan Administration to modify his intransigent stand on the Middle East peace process.

Iran attacks two Gulf tankers after Iraq raid

IRAN YESTERDAY retaliated for the latest Iraqi raids on its oil export operations by attacking two tankers - one Greek and one flying the Singaporean flag - off the coast of the United Arab Emirates, and British and US warships came to the assistance of their crews, Reuter reports from Dubai.

Andrew Gowers and Richard Johns on new depths of savagery in remote Kurdistan Iraq bombs its citizens with lethal chemicals

NEITHER SIDE in the Gulf war has ever been particularly scrupulous about observing the accepted norms of international conflict. But what has been happening in the past year, and especially the last week, in a remote corner of north-eastern Iraq reveals previously-unplumbed depths of savagery.



Two days ago, the Iranian authorities took a group of Western reporters to the town of Halabja in Iraqi Kurdistan, which Iran had captured a week before. The scene was appalling: hundreds of unwounded corpses strewn in the streets; hundreds more survivors writhing in agony in the hospitals; and a once-thriving settlement of 10,000 people or more reduced to a ghost town.

More than 300,000 people have migrated with about 1.5m animals from the desert area of Tharparkar in south-eastern Pakistan during the past year after three years of drought. The World Food Programme and other aid agencies, including the European Commission and Save the Children Fund, have sent emergency relief supplies of edible oil, milk powder, and vitamin tablets to the area which is one of the driest and most thinly populated parts of the plains of south Asia.

THE long-threatened South African Government clampdown on the so-called alternative media, became a reality yesterday when Mr Sibusiso Buthe, the Minister for Home Affairs, closed down the Catholic weekly New Nation for three months.

THE rift between churches and state and the thinly veiled threats against politically outspoken church leaders prompted Dr Robert Runcie, the Archbishop of Canterbury, to send the Bishop of Lichfield to South Africa. New Nation, with a circulation of around 20,000, is published by the South African Catholic Bishops' Conference. But it was accused by the Home Minister of carrying reports which revered the armed revolution in Mozambique, promoted the public image of Mr Govan Mbeki, the recently released ANC veteran, and both promoted revolution and engendered feelings of animosity towards the armed forces.

Malaysian newspaper ban lifted

FOUR Malaysian newspapers ordered to close last October as part of a Government crackdown have had their printing licences restored and will be on sale again on Saturday, Wong Sulong reports from Kuala Lumpur. Mr Megat Junid, deputy Home Minister, said the Government hoped the four had realised their past mistakes and would act responsibly in future. The papers were accused of highlighting racial issues.

African debt talks

African debtor nations yesterday agreed to discuss the continent's debt crisis with creditors in November or December. Victor Mallet reports from Lusaka. The venue has not yet been decided. Finance and economics ministers from 12 African countries, representing more than 70 per cent of Africa's \$200bn external debt, have been meeting in Lusaka this week to prepare for the talks. Creditors have so far expressed little enthusiasm for such a conference.

Kenyan rebel ousted

Mr Martin Shikuku, the gadfly of Kenya's parliament and an outspoken critic of corruption, lost his seat in the country's one-party general elections, according to official results released yesterday, Reuter reports. Early results showed President Daniel arap Moi and half his Cabinet had been returned unopposed.

Soviets go missing

Three Soviet military experts were captured by Eritrean separatists in Ethiopia and a fourth went missing, Mr Gennady Gerasimov, Foreign Ministry spokesman, said yesterday. Reuter reports from Moscow. He said the experts went missing after the Eritrean People's Liberation Front had captured a part of the disputed province.

Drought forces Pakistanis to flee from desert area

BY JOHN ELLIOTT, RECENTLY IN KARACHI

MORE THAN 300,000 people have migrated with about 1.5m animals from the desert area of Tharparkar in south-eastern Pakistan during the past year after three years of drought. The World Food Programme and other aid agencies, including the European Commission and Save the Children Fund, have sent emergency relief supplies of edible oil, milk powder, and vitamin tablets to the area which is one of the driest and most thinly populated parts of the plains of south Asia.

Aquino orders army reforms

PRESIDENT Corason Aquino yesterday ordered radical reforms to allow the Philippine army to throw out communist troops against the growing communist insurgency, Reuter reports from Manila.

She told senior army officers she would abolish the much-criticized Unified Regional Command structure and give field commanders more independence to take on the guerrilla New People's Army in the jungles and mountains. "I want more men behind guns, fewer behind desks," she told senior officers and troops at a parade to mark the 51st anniversary of the Philippine Armed Forces.

Pretoria closes critical Catholic newspaper

BY ANTHONY ROBINSON IN JOHANNESBURG

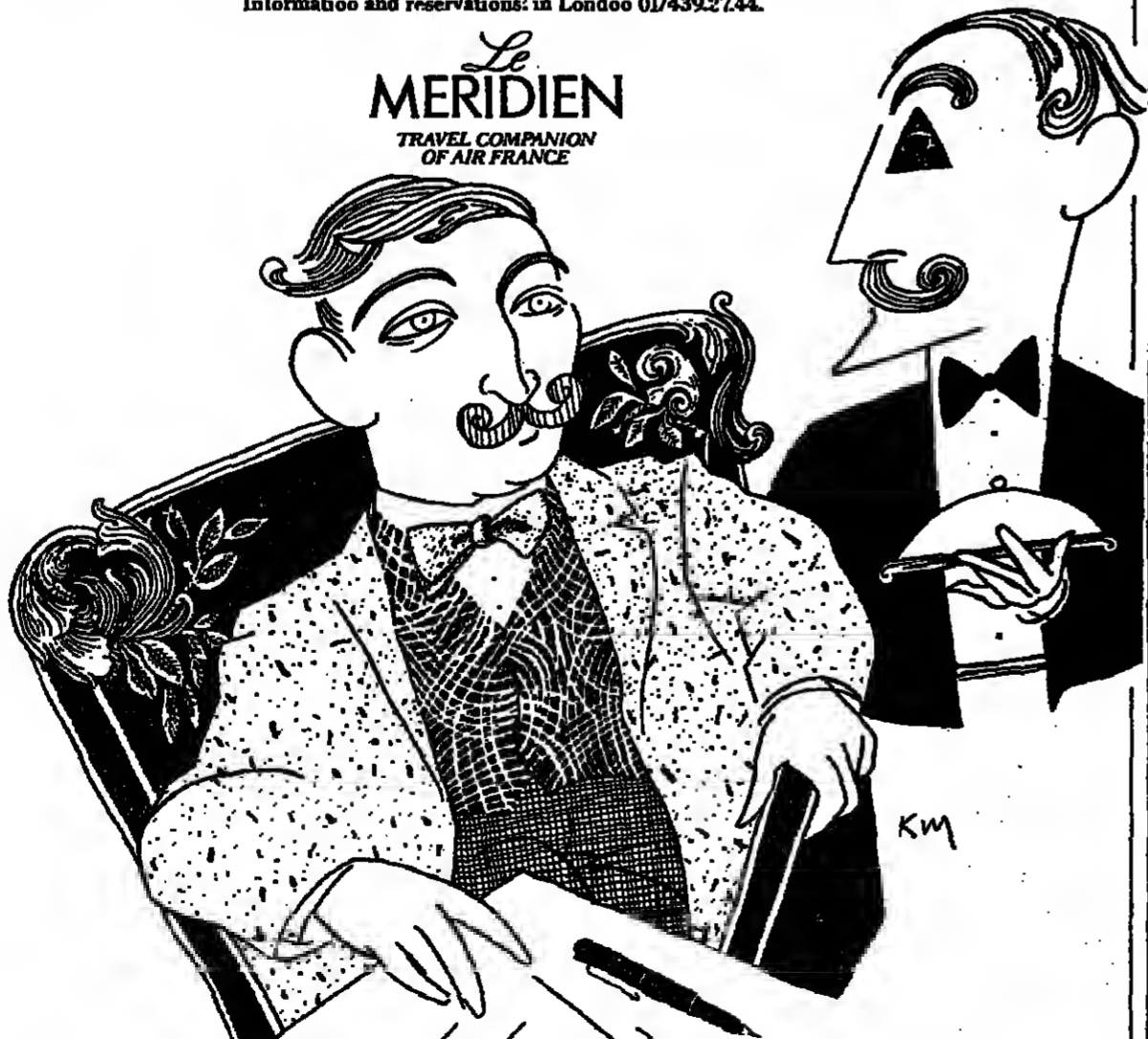
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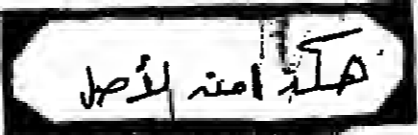
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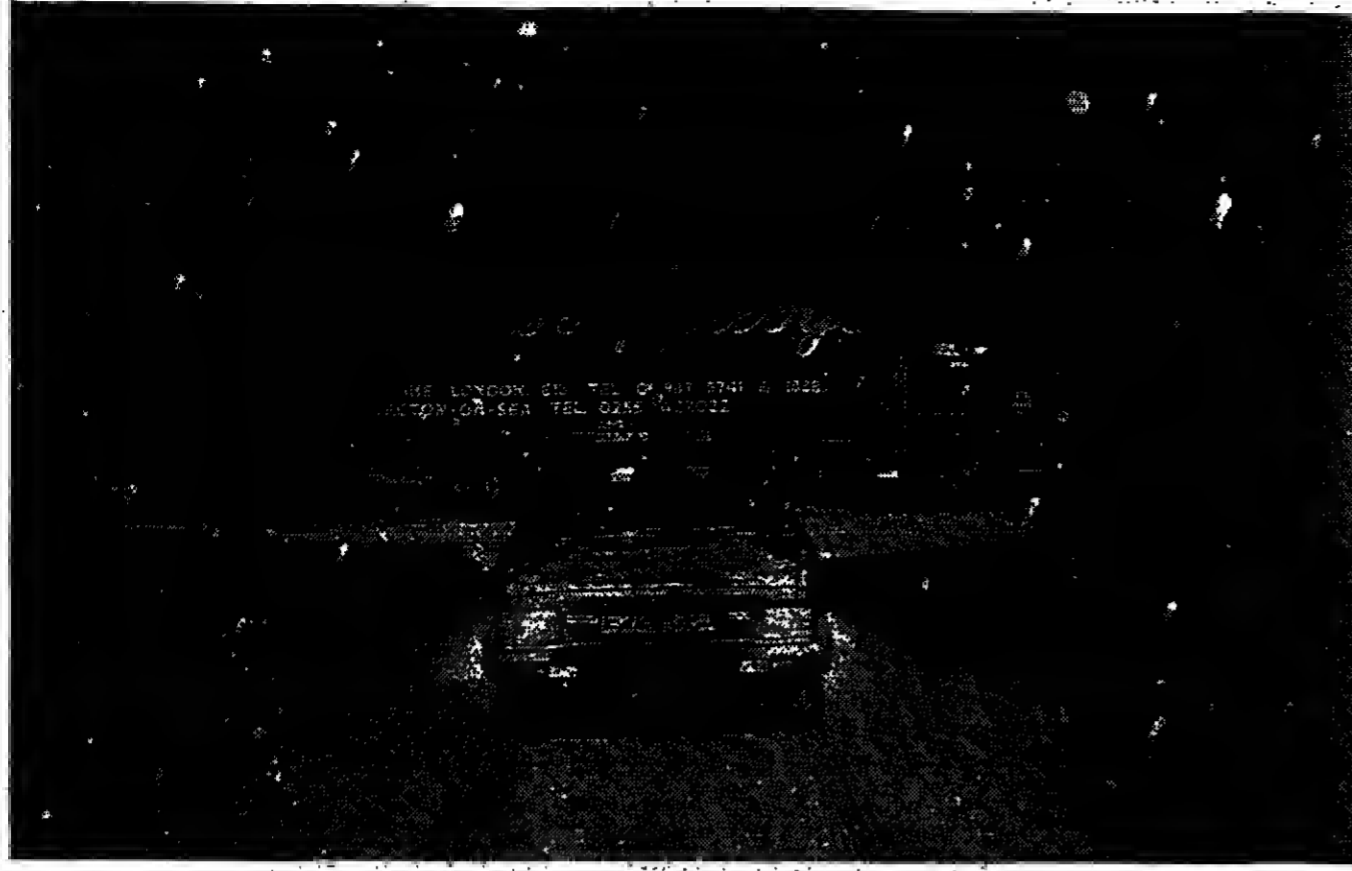
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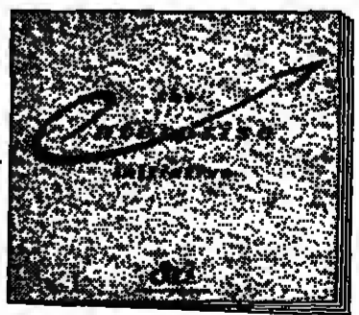
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3 Time

Capital reduction stands despite mistake in circular

RE EUROPEAN HOME PRODUCTS PLC
 Chancery Division: Mr Justice Mervyn Davies: March 16 1988

CANCELLATION of a company's premium share account may be confirmed by the court, though the resolution to cancel was passed on the strength of an inaccurate circular, if creditors will not be prejudiced, if the voting was not influenced by the inaccuracy and if, after subsequent notification of the error, the shareholders do not oppose confirmation.

Mr Justice Mervyn Davies so held when confirming the cancellation of a share premium account on the petition of the company, European Home Products plc. The petition was unopposed.

HIS LORDSHIP said that the company had a share premium account of £24.6m which arose as a result of rights offers and a cash subscription attendant on its acquisition of Scholl International and Ivarte SA.

On November 27 1987 the directors circulated shareholders proposing that the share premium account be cancelled and replaced by a capital reserve against which goodwill arising from the Scholl and Ivarte acquisitions could be written off.

They said that "in view of the goodwill of approximately £28.5m arising on the acquisitions" and their stated policy to write off goodwill as and when it arose, they considered the company should have maximum reserves for writing off goodwill.

The circular was accompanied by a notice of an extraordinary general meeting of the company on December 23 1987, and a notice convening a meeting of convertible preference shareholders earlier the same day.

At the meetings, the convertible preference shareholders passed a resolution consenting to cancellation of the share premium account, as was required under the Articles of Association, and the company then passed a special resolution that the whole amount standing to the credit of the share premium account be cancelled.

Thereafter it emerged that there was a mistake in the circular of November 27, in that the £28.5m was inaccurate. The sum stated should have been £17.5m. The error arose as a result of a

calculation having been made in US dollars and not converted to sterling.

On the present petition the company sought confirmation of the cancellation of the share premium account.

The question was whether the court should confirm the cancellation, in light of the fact that the directors misinformed themselves and the shareholders as to the true value of the goodwill.

Before it was realised that the circular was inaccurate, the directors thought the total special reserve fund would be £42m. On the basis that for £28.5m goodwill one should read £17.5m, the special reserve emerged as £24.5m.

The directors were not averse to accepting a special reserve in that sum. They regarded it as a figure against which future goodwill might be written off.

On February 8 1988 the company sent a circular letter to all ordinary and preference shareholders. It stated that subsequent to the meeting of December 23 it had been established that the goodwill arising on the Scholl and Ivarte acquisitions was £17.5m rather than £28.5m, and that there would be a correspondingly increased balance on the capital reserve account against which goodwill on future acquisitions might be written off.

The circular went on to say that the directors still intended to seek the court's sanction of the cancellation of the share premium account. It invited shareholders who wished to be notified of the place and date of hearing to complete and return an enclosed reply-paid form.

Seventeen shareholders returned the reply-paid form, but no shareholders attended the hearing.

The court's jurisdiction to confirm cancellation of a share premium account was contained in sections 130(3) and 135 to 137 of the Companies Act 1985. Section 137(1) provided that if the court was satisfied as to every creditor entitled to object to the reduction of capital, it "may make an order confirming the reduction on such terms and conditions as it thinks fit."

The company had undertaken to carry the amount of the cancelled share premium account to a special reserve which, while any current creditor was unpaid, was not to be treated as realised

profit but as undistributable reserve. The court was therefore left with the discretion conferred by section 137(1).

In *Yessen v Henderson* [1989] 1 Ch 861, 870, which concerned a misleading circular, Mr Justice Kekewich said the question was whether each shareholder, when he received the notice, had fair warning of what was to be submitted at the meeting. He said the shareholder "did not know the real facts" and therefore "the resolution is not binding on him."

Jeset Trust [1985] BCLC 119, 124, 125 was concerned with the sanctioning of a scheme of arrangement as well as reduction of capital. The facts were distinguishable, but the judgment, by analogy, afforded considerable guidance. Mr Justice Slade said the court could not properly approve a scheme "if it was reasonable to suppose" that a change between date of circular and date of meeting "might have influenced the way the members voted at the meetings."

He went on to say that the onus on directors who failed to disclose to the court a change of circumstances between date of circular and date of meeting was "a very heavy one."

In *Minster Assets* [1985] BCLC 204, 207, Mr Justice Harman was asked to sanction a scheme of arrangement where there had been a change of circumstances between date of circular and date of meeting.

He said "on broad principle... material misrepresentations must not only be accurate when made, but must remain the whole story when they come to be acted on... because if circumstances have materially altered, a person's decision may also be altered."

Those extracts showed it was by no means easy to secure the court's confirmation of a resolution passed on the strength of a circular containing inaccurate information.

A further circumstance was that the value of the goodwill was overstated by no less than £21m, and the net assets shown in the last balance sheet were £17m.

On the other hand, the following considerations were borne in mind:

(a) Only two shareholders attended the extraordinary general meeting on December 23. Proxies showed 12,322,929 votes in favour of cancellation, 802,882 discretionary and 946 against.

In the face of those figures it was difficult to suppose that "against" votes would have prevailed had the November circular been accurate.

(b) Only two shareholders attended the separate meeting of convertible preference shareholders. Proxies showed 767,871 votes for cancellation and 420 against.

Again, it was difficult to suppose that "against" votes would have prevailed had the circular been accurate.

(c) The company circulated shareholders' drawing attention to the mistake and enclosing the reply-paid form for those wishing to be notified of date and place of hearing. Seventeen were notified, but none appeared to oppose the proposed order.

(d) The mistake in the circular did not prejudice creditors in any practical fashion.

In the light of those considerations the question was whether the inaccuracy in the November circular could not have influenced the minds of reasonable shareholders.

Reasonable shareholders could have been "but were in fact not influenced by the inaccuracy."

That view was taken because only 17 shareholders sent in the reply-paid cards and not one attended to oppose the order.

In that situation one could only assume that no shareholder regarded the mistake as being of such importance as to warrant taking any steps to oppose the cancellation - despite the fact that goodwill worth £17.5m was stated to have been worth £28.5m.

The court in its discretion confirmed the cancellation. It did so with considerable hesitation because facts stated in company circulars, respecting reductions, cancellations, schemes of arrangement and the like should be reliable.

For the company: *Michael Todd* (Allen & Overy).

By *Rachel Davies* (Barrister)

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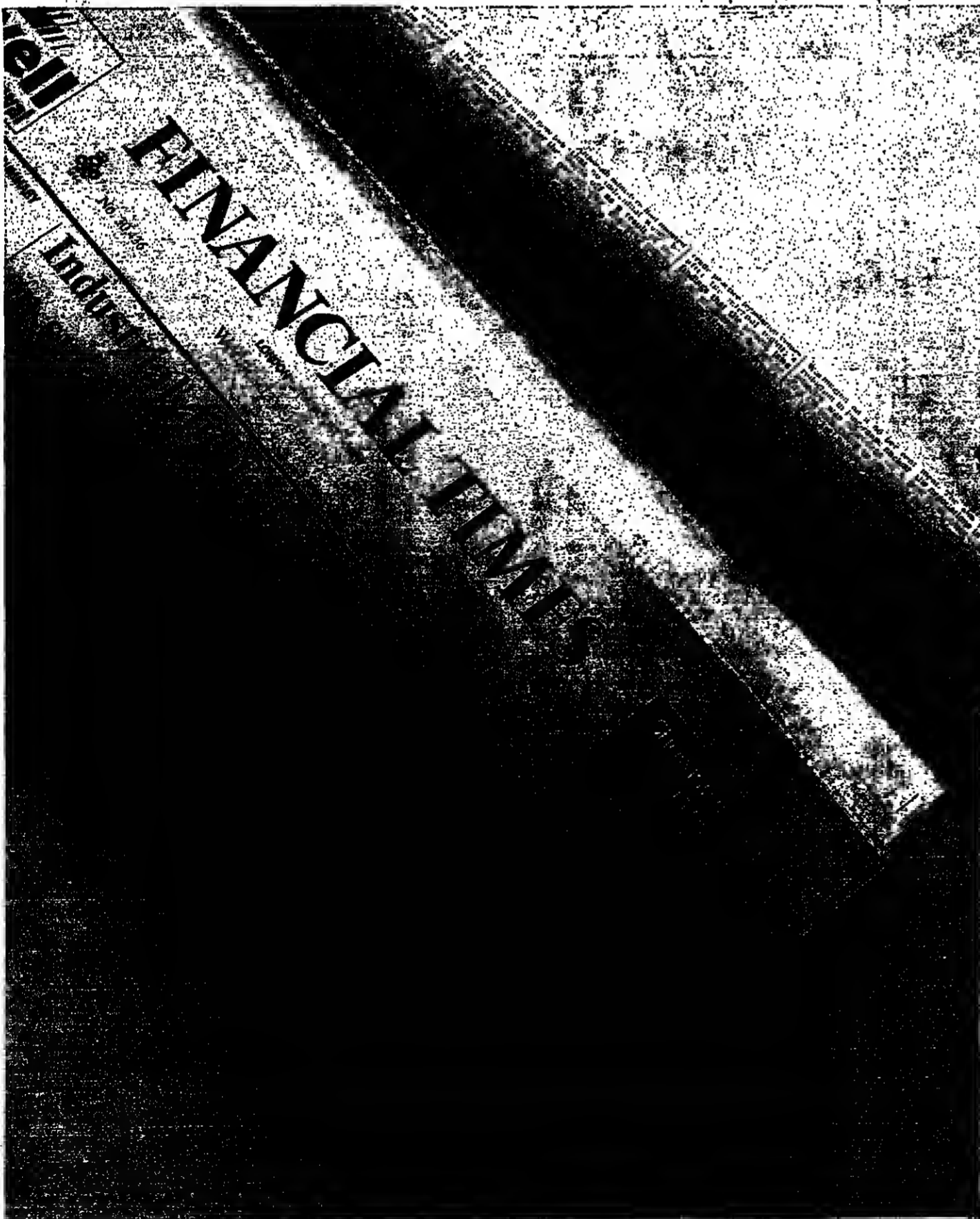
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UK NEWS

Evidence sheds light on investigation into Burton takeover

Parnes declines to explain his fears

EVIDENCE given by Mr Tony Parnes to the inspectors investigating the Guinness affair in last January indicates some of the possibilities being considered by the Trade and Industry Department before it launched a separate investigation into the Burton Group 10 months later.

In questioning Mr Parnes, the inspectors made a point of asking whether Guinness approached Sir Ralph Halpern, chief executive of the Burton Group, or Sir Phil Harris, chief executive of Harris Queensway, for support in its bid for Arthur Bell or Distillers. They also asked whether either had approached Guinness for support in bids in which they were involved. In each case Mr Parnes said he was unaware of any involvement.

The attention given to this issue by the inspectors and the nature of their questions may have significance in identifying the reasons, not hitherto publicly disclosed, for the DTI inquiry which focused on the Burton takeover battle for Debenhams, the retailers, in 1988.

Sir Phil Harris and Mr Gerald Bonson played a key role in this battle by accumulating an 8 per cent stake to Debenhams through the broking services of Mr Parnes, and then assenting to the Burton's bid.

The inspectors asked Mr Parnes: "Changing the subject, did you ever approach Sir Ralph Halpern or anyone connected with him to be a supporter in either the Bells or Distillers takeover (bids by Guinness)?"

Mr Parnes said: "No."

The inspectors then asked whether Sir Jack Lyons, who has been charged with offences in connection with the Guinness takeover of Distillers, approached Sir Ralph Halpern or anyone else at Burton's, about buying or selling Guinness or Distillers or Bells through either of the takeovers?"

The inspectors then asked: "Are you aware of any discussion or communication with anyone, be it Sir Ralph Halpern or anyone else at Burton's, about buying or selling Guinness or Distillers or Bells through either of the takeovers?"

Mr Parnes, after a pause, said: "I cannot answer at the moment." Mr Parnes was then allowed a short break to confer with his solicitor, after which he said: "Mr Donaldson, I want to tell the truth and the whole truth but there is a threatening situation to me which affects me and, therefore, makes it difficult for me. In fact, I actually do not know how to handle it."

Mr Donaldson: "When you say a threatening situation what do you mean, Mr Parnes?"

Mr Parnes: "How would I describe it? Retaliation."

"Of what nature?"

Mr Parnes: "I do not know. It could be anything."

THERE ARE several moments of mystery and of unappreciated comedy during the three grueling interviews to which Mr Tony Parnes was subjected by the Guinness inspectors, arising particularly from his unexplained fears about revealing the nature of his relationship with Mr Ari (also called Alan) Margulies, the son of the chairman of S and W Berisford.

These first became apparent in the first interview on January 22 1987, shortly after the new Guinness board had published a list of payments to unknown recipients in the takeover battle aftermath.

Mr Parnes was asked who prepared the invoice in the name of a Swiss company, Consultations and Investissements, that Mr Parnes presented to Guinness for a £3.35m fee for the work Mr Parnes carried out during the Guinness takeover bid.

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"Of what nature?"

Mr Parnes: "I do not know. It could be anything."

TOMORROW a hearing starts in Santa Ana, California, brought by the UK Government to extradite former stockbroker Mr Tony Parnes on charges relating to his alleged role in the Guinness takeover of Distillers. *Clive Womans* examines the transcript of interviews with Mr Parnes conducted by DTI inspectors presented as evidence to the hearing.

Mr Parnes' solicitor Mr Sinclair then asked: "Is Mr Parnes able to achieve any reassurance that the person named would not know where your information came from?" Mr Donaldson replied that a total assurance was not possible.

Mr Parnes: "Mr Inspector, I want to tell the truth and the whole truth but on the other hand the truth can be changed. Yes, my solicitor... (A pause) There is nothing I can add, that is the problem because of the people I am dealing with. That is the problem."

Mr Parnes' solicitor: "Mr Parnes has considerable nervousness and has been strongly advised to make full disclosure, which he wishes to do but is extremely nervous." Mr Donaldson repeated that the inspectors would exercise their discretion.

Mr Parnes: "The invoice was given to me by Mr Ari Margulies."

Mr Donaldson: "This is spelt M-a-r-g-u-l-i-e-s?" Mr Parnes: "M-a-r-g-u-l-i-e-s." Mr Donaldson: "It is a matter of public know-

ledge that there is a Mr Margulies who is connected with Berisford. Is this some relation of his?"

Mr Parnes: "His son."

Later, Mr Donaldson returned to the subject: "What was the retaliation that you feared and to which you made reference earlier in this interview?"

Mr Parnes: "Just discussing other people's affairs."

Mr Donaldson: "That is not retaliation. Did you fear retaliation of a physical nature or of some other nature?" Mr Parnes: "I cannot say."

Mr Donaldson: "From whom did you fear retaliation, Mr Parnes?"

Mr Parnes: "I cannot say."

Mr Donaldson then allowed Mr Parnes to confer with his solicitor over the consequences of refusing to answer a question. After the short break, Mr Donaldson resumed: "I am asking you now, who is the person from whom you fear retaliation?"

Mr Parnes: "I am not answering you, Inspector."

Mr Donaldson: "You are not answering my question? You have received advice on the consequence of answering questions put by inspectors, have you?"

Mr Parnes: "I could go to jail."

Mr Donaldson: "What kind of retaliation do you fear?"

Mr Parnes: (Pause) "I am not going to answer that question."

There then followed a discussion of the record, after which the inspectors moved on to another subject.

Another moment of both mys-

tery and comedy arrived in the second interview when Mr Parnes was asked about money that was paid into a Lloyds International bank account in the name of a Swiss lawyer, Mr Daniel Guggenheim. Mr Parnes said that the account was opened to receive money "for a company which I mentioned to you off the record."

Mr Donaldson asked whether it was a client account. Mr Parnes said it was. The following exchange then occurred:

Mr Donaldson: "I have taken a piece of paper and I have written 1871 on it, for the sake of the transcript, and I am going to ask you to write down the name of the client on that piece of paper. (Paper handed to witness). You should show it to Mr Sinclair. (Paper shown to Mr Sinclair and handed back to Mr Donaldson). I was hoping, possibly, to be able to respect the anonymity of your client but given what you have written down here I do not think we need go through that particular charade. What you have written down here is 'A. Parnes', is that yourself?"

Mr Parnes: "Yes."

Through his solicitor Mr Richard Waller, of Lewis Silkin, Mr Ari Margulies denies having had any knowledge of, or connection with, the invoice referred to by Mr Parnes.

Mr Waller states that Mr Margulies refutes all allegations of threats of any kind having been made either to or against Mr Parnes.

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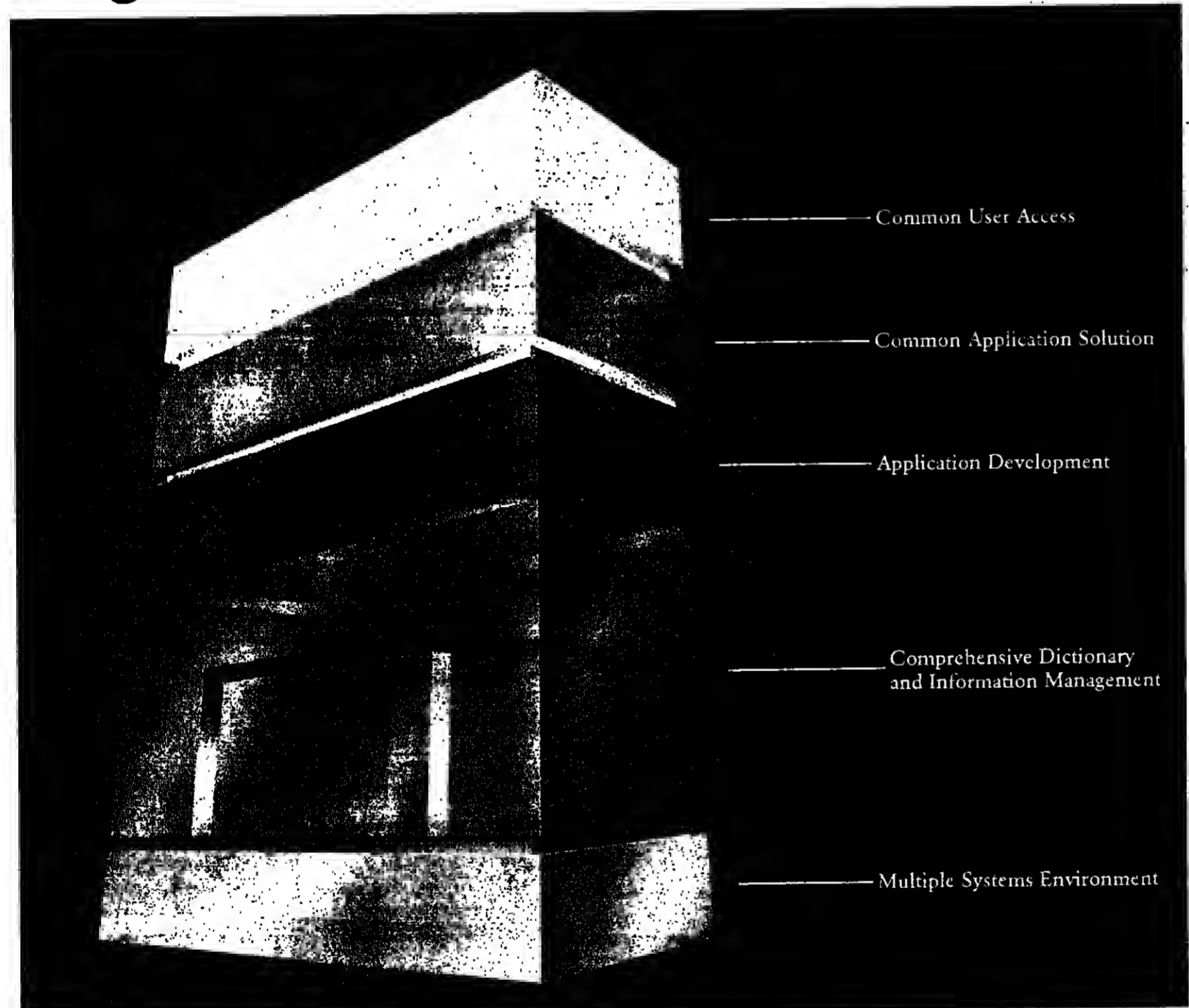
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41	25	Amalgamated	30	0	0	0
142	40	BBG Design Group (USX)	50	0	2.1	3.7
188	105	Barton Group	150	0	2.7	17.0
186	95	Bey Technology	125	0	4.7	3.4
211	130	CGI Group (USX)	250	0	11.5	4.7
147	99	CCI Corp 11% Com. Pref.	131	0	15.1	11.5
171	130	Carborundum (USX)	135	0	5.4	4.0
104	91	Cashman 7.5% Pref.	101	0	10.3	10.2
208	87	George Blair	208	+2	3.7	1.8
143	60	Ida Corp	61	0	3.4	3.6
104	59	Jackman Group	90	+1	10.4	3.1
700	300	Matheson (USX)	338	0	10.4	3.1
91	45	Robert Jencks	45	0	5.5	4.4
124	30	Scrivens	124	0	6.6	3.3
224	67	Tandem & Carls	67	0	2.7	4.1
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Notice is hereby given that an extraordinary general meeting of Svenska International Growth Fund (the "Company") will be held at the registered office of the company, 148 Boulevard de la Woluwe, Luxembourg, at 2.00 p.m. on March 29th 1988, with the following Agenda:

1. change of the name of the Company to "Svenska Selection Fund"
2. conversion of the Company into a vehicle of investment in capital markets (SCAV)
3. approval of the following object clause:
 - The objective of the Company is to place the funds available to it in securities of all types with the purpose of spreading investment risks and affording its shareholders the benefit of the management of its portfolio.
 - The Company may take any measures and carry out any operation which it may deem useful in the accomplishment and development of its purpose to the full extent permitted by the law of 29th August, 1983 regarding collective investment undertakings.
4. reconfirmation of the existing status of par value US dollars 2- each no shares with no par value.
5. reconfirmation of the Articles of Incorporation of the Company following its conversion into a SCAV.
6. provision for the issue of shares of different classes each of which will entitle the holders to participate in separate assets of the Company.

The proposed draft Articles of Incorporation, subject to changes and amendments up to the date of the meeting, are available for inspection at the registered office of the Company. All resolutions to be validly passed shall require the presence in person or by proxy of at least 50% of the issued shares and the affirmative vote of 2/3 of the shares present or represented.

If you are unable to attend and vote in person at the extraordinary general meeting, you may obtain a form of proxy from the Company, telephone 0852 400 5111, telex 340550h/ht which should be completed and lodged with the Company by March 28th, 1988 before the opening of the meeting.

Handwritten signature or mark.

UK NEWS

Striking workers to vote on Land Rover peace plan

By RICHARD TOMKINS, MIDLANDS CORRESPONDENT

SIX THOUSAND manual workers at Land Rover, the vehicle maker, will meet this morning to decide whether to call off a pay strike which has halted production at the company's plant in Solihull, West Midlands, for more than four weeks.

They will gather on a sports ground adjacent to the factory to vote on a peace formula agreed between trade union leaders and Land Rover's management yesterday at the Birmingham offices of the conciliation service, Acas.

Details of the plan were not disclosed before the meeting, but Acas confirmed a suggestion by Land Rover's management that it involved no new money on the table. "It is a different package, but the cost to the company is no greater than that of the previous one," Acas said.

It is understood the revised package centres on the consolidation into basic pay of a bonus to reward good attendance. The unions had complained that reliance on bonus payments would create greater uncertainty over the level of earnings.

It is thought the company has agreed that £3.50 of the £8.50 attendance bonus, due to paid in

the second year of the deal will be consolidated into basic pay. This should improve pensions benefits and overtime pay which are linked to basic pay rather than overall earnings.

However, the company has insisted bonuses should be calculated on an unchanged index of efficiency. Union officials said the deal included only marginal changes and would not cost the company a great deal more than its original offer.

The outcome of this morning's vote is unpredictable. Workers are likely to be angered at the lack of an increased offer but will be told by their negotiators that it is the best deal they can get.

Although the strikers have endured considerable hardship because of the length of the dispute, pickets outside Land Rover's gates yesterday afternoon said they resolve to get an acceptable deal remained strong.

An important factor may prove to be the decision by the workers' unions to recommend the proposals. The five-union joint negotiating committee decided unanimously to recommend acceptance and the shop stewards agreed to do so by a majority.

MPs query cost of DTI advertising initiative

By Peter Hiddle

CALLS BY several MPs for an investigation into the sharp rise in the Department of Trade and Industry's spending on advertising its initiatives will be considered today by the main parliamentary watchdog committee.

The cross-party Public Accounts Committee of MPs, which monitors spending on behalf of the Commons, is due to meet to consider its programmes and inquiries on its behalf by the National Audit Office.

There has been growing criticism at Westminster after the disclosure that the DTI's budget on advertising and promotion in the current financial year has risen to more than £13m, equivalent to the total spent in the previous five years combined.

This increase reflects the approach taken by Lord Young, the Trade and Industry Secretary, who believes such promotion is necessary to sell Government schemes to business.

The main items of spending on advertising have been £6.3m between mid-January and now for phase one of the DTI enterprise initiative and £3m for the first phase of the campaign to increase awareness of the single European market in 1992.

Philip Bassett reviews the crucial decisions that may split UK unions

TUC credibility feels the strain

THE TUC General Council, the union umbrella organisation, today faces its most momentous decisions in years: what to do about the single-union deal reached by the AEU engineering union with Ford of America over its now-abandoned plant at Dundee, and whether to suspend the BEETU electricians' union over its role in the 1988-87 News International Wapping dispute.

Both issues are potentially calamitous for the TUC, and although talk of a split TUC is probably premature, there is little doubt that the public credibility of trade unions in Britain is at stake.

Leaders of the BEETU all but expect the union to be suspended for three months for breaching the TUC's directives against recruiting Wapping employees into membership. If it is, the union may pull out for longer, allowing it to ballot on full withdrawal, and may come under pressure to start trying to carve up other unions' memberships.

Even so, few union leaders yesterday were second-guessing the outcome of the BEETU vote in the shell-shocked atmosphere created by Ford's withdrawal from the Dundee plant.

The general council looks likely to endorse by a large majority the 11-10 recommendation reached early yesterday morning of its "inner cabinet", the finance and general purposes committee (F&GP), to back the

AEU's deal as the only hope of persuading Ford to reconsider its decision on Dundee.

That line was strongly and repeatedly put by Mr Norman Willis, TUC general secretary, during the F&GP's 12-hour discussion about Ford and Dundee.

Following an impressive presentation by local councils, which argued that Dundee would find it difficult to forgive the unions' role if the town lost the plant, the committee looked at other matters, including the representation of the TGWU transport union on the TUC General Council.

At about 3.40pm on Monday afternoon, they got to the meat. Before them was a confidential TUC document, which said that Ford's announcement had produced a public reaction of almost unprecedented intensity. "The unions' 'overriding objective' had to be to secure the jobs for Dundee."

Mr Willis went further. "At stake, of course, are the jobs at Dundee - but also at stake is the good name of the trade union movement. The finger of British public opinion is firmly pointed at us. We have been put in the dock and found guilty. Our standing has been severely damaged."

To most people, a union row has lost the jobs at Dundee. We must be aware of that. Our understanding of the complexities of the detail cuts no ice. The only course which might lead the

Senior executives of the Ford Motor Company in Detroit were yesterday considering their response to the TUC's move to ensure that a single-union agreement at the proposed Dundee plant is not opposed by other motor industry unions.

It is understood that executives of Ford's electrical and electronics division, which planned the plant, held lengthy meetings yesterday. The company said before the meetings that it would meet the unions in the wake of the TUC's move. However, it said it would not reconsider its decision to cancel plans to build the plant.

company to reconsider is if the AEU agreement is given a clear and uninterrupted run.

Referring to his trip to attempt to persuade Ford of America to keep Dundee, Mr Willis again put the position starkly to the committee: "The Ford unions have to consider whether they are prepared for me to go again to Detroit able to give the company the assurance that there will be no interference with or dislocation to the AEU agreement. It is as simple and nasty as that."

Talking with him members of the F&GP representing unions with members in Ford, Mr Willis then met leaders of the Ford unions. Mr Ron Todd, TGWU



Norman Willis: tough talking

emerge "ring-fencing" the AEU's Dundee - accepting it, but allowing it to go no further, and the possibility of moving the terms at the proposed plant towards some form of linkage with Blue Book arrangements.

TUC officials put together several drafts on this form of words, with Mr John Edmonds, general secretary of the GMB general union, looking hard for a compromise. But it became clear that no such grey area existed between the wages line being propounded by the TGWU and the MSF general technical union, and the AEU-Ford line about what the company would accept.

Just before midnight, the F&GP reconvened again. The TUC was trying to insist that the F&GP's recommendation would be binding on all TUC unions, but after a search through the TUC's rules, this was rejected.

Mr Willis's motion to back the AEU deal was then put forward. He did not vote, and it was carried by 11 votes to 10.

All that was left then was for the TUC and the AEU to tell a largely unimpressed Ford of the decision, and for the public beating for the unions over Dundee to start again. But ringing in the committee members' ears was the rider in Mr Willis' original speech, urging unions to accept quickly the proposals on regulating single-union agreements.

TUC was now suggesting,

Telecom body ruling heralds US move on satellite link-up

By DAVID THOMAS

PAN AMERICAN Satellite, the US group, plans to introduce the first private transatlantic telecommunications satellite services in July. This follows a ruling yesterday by the UK's telecommunications regulatory body that British Telecom cannot boycott the group's operations.

PanAmSat is already backed by the US telecommunications authorities to run a transatlantic satellite service, which has hitherto been the monopoly of the publicly-controlled Intelsat consortium.

Mr Fred Landman, PanAmSat president, said yesterday his company intended to offer business customers private voice and data services over its satellite, which is scheduled for launch in May on one of the European space consortium's Ariane rockets.

He said that many potential customers had already expressed interest in his company's services which he said would be more flexible and cheaper than BT's.

The ruling by the Office of Telecommunications (OfTel) follows a Government decision last month to license up to six new operators offering specialised satellite services to specific user groups. Together they represent a considerable injection of competition into UK satellite communications.

PanAmSat has already applied for one of the licences, which will allow satellite transmission from

a single source to a number of subscribers.

OfTel became involved after PanAmSat complained that both BT and Cable and Wireless, rival British communications companies, had refused to connect their networks with its planned satellite.

PanAmSat in retaliation asked the US authorities to block the US authorities to run a transatlantic satellite service in the US. Mr Landman said yesterday it would now almost certainly drop this request.

OfTel said BT was obliged by the terms of its licence to link customers in the UK with a PanAmSat satellite and to carry messages in both directions. However, OfTel found there was no such obligation on Mercury, the Cable and Wireless subsidiary which runs a rival network to BT.

Although OfTel ruled that BT had not broken its licence because it had not yet been approached by PanAmSat customers, the regulatory body stressed that BT would have to link such customers to PanAmSat's customers and identified several ways in which this would be technically possible.

PanAmSat also intends to transmit television programmes between Europe, the US and Latin America. The company, formed in 1984, is owned by Mr Rene Anselmo, who built up a fortune through ownership of television channels in the US.

Big P&O profit rise angers union leaders

By KEVIN BROWN AND JIMMY BURNS

PENINSULAR and Oriental Steam Navigation yesterday announced pre-tax profits up more than £100m to £282m, only hours before going to arbitration talks with union leaders on its demand for substantial cost savings on ferries operating out of Dover, the south coast port.

The National Union of Seamen said it was "incensed" by P&O's results, which it claimed proved the company could afford to compromise.

But Sir Jeffrey Sterling, P&O chairman, said: "We were obviously not going to change the date of our results to suit the negotiations."


P&O is seeking a cut from 3.5 to 2.5 crews on each of 11 ships operating from Dover, although

the company has indicated that it might compromise on three crews per ship. The company's 2,000 Dover-based seafarers have been on strike for seven weeks.

The two sides met at the offices of the Government-run Arbitration and Conciliation Service at 2pm yesterday afternoon, but talks were adjourned late last night without much progress.

The NUS said it had told Acas it was prepared to accept redundancies at loss-making companies, but P&O's results confirmed that "this is not a cost-saving exercise but a profit-expansion exercise."


The union's hand was strengthened by a meeting of the 2,000 Dover-based P&O workers who voted to continue the strike.




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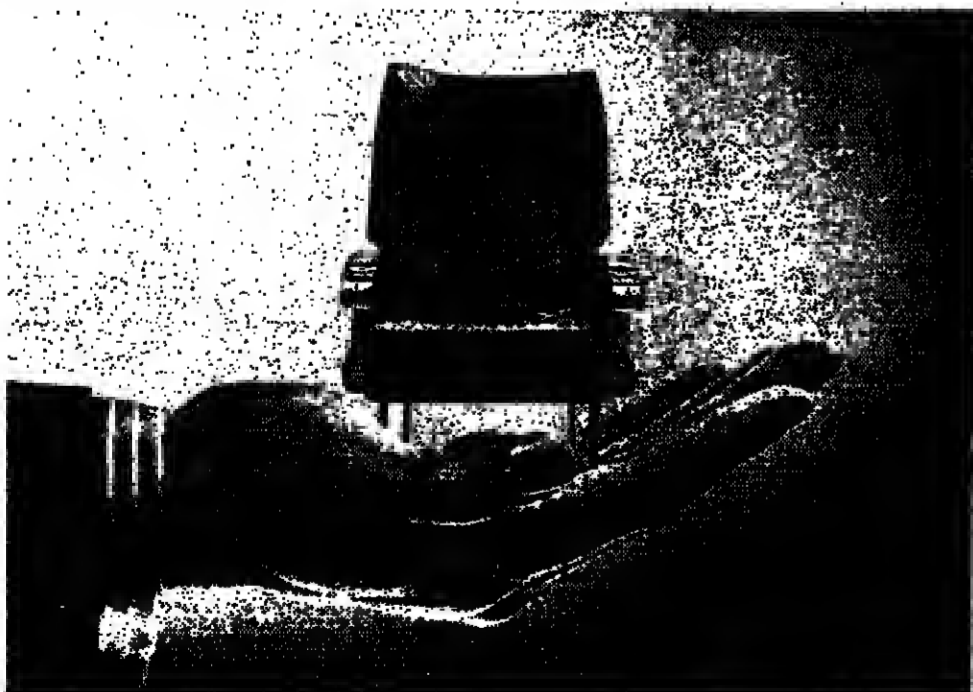
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TECHNOLOGY

Is LRT buying fare reliability?

Paul Abrahams examines London Underground's choice of ticket system

GREY WOODEN boxes have been springing up at the exits of stations on the London Underground. When dismantled they will reveal part of a £150m modern automatic ticketing system being installed over the next nine months. But the experience of other underground networks using forerunners of this system calls into question whether it will bring the kind of reliability benefits being sought by London Regional Transport (LRT).
Should this be the case, LRT, which runs London's underground, could face considerable problems.

Ken Williams, ticket systems development manager of British Rail and the man responsible for installing automatic ticket machines for BR's Network Southeast, explains the dangers: "Benefits from vending systems are only achieved if the machines work effectively. The public will quite simply not use them if they are perceived to be unreliable."
"The crunch will come on the second Monday in January 1989, when the last non-magnetic session tickets run out, and LRT can dispense with manual ticket collectors," says Richard Hope, editor of Railway Gazette International.

"Once commuters have to pass their session tickets through the new machines, the cards will take quite a battering. They have to be used twice each journey - that makes four times a day for each commuter, 20 times a week, over 1,000 times a year. It's all very well for tickets to withstand that in a laboratory. Reality is rather different," he says.

LRT has been under pressure to replace its well known and unpopular blue ticket dispensers, designed in the 1930s and prone to grab money without supplying a ticket or failing to deliver the required change.

It has chosen Westinghouse Cubic, a consortium owned by Hawker Siddeley of the UK and Cubic Corporation of the US, to supply replacement equipment. The new vending machines have been installed in 100 of the 248 stations in the underground network. By the end of the year every station should have received its new ticket system.

The kind of benefits being sought by LRT are:

- A reduction in queuing during rush hours. The number of journeys on the underground has increased 54 per cent from 496m in 1983 to a current 769m a year. This has made it difficult for staff to distribute and collect tickets

quickly enough. The new system should allow passengers to avoid annoying delays.

- Cost benefits. The company claims that eventually there will be a net saving of some 900 staff, equivalent to some £10m a year.

- A reduction in internal and passenger fraud. Over the last five years estimates of the cost of fraud have ranged from £22m to £70m a year. Internal fraud has proved difficult to quantify, but a system known as "pineapple juice", in which unmarked yellow tickets are taken in by ticket collectors and then resold to the public without being accounted for, has in the past allowed some employees to make up to £200 a week.

However, the experience of Cubic ticketing systems in operation in other parts of the world indicates that there could be at least early difficulties for LRT's new equipment.

When the Washington metropolitan area transit authority installed a system manufactured by Cubic Western Data, a subsidiary of Cubic Corporation, in its Metrolink underground system in 1976, reliability immediately proved problems. On average, machines failed once in every 600 operations.

"It took us a good part of the first decade to get used to the system," says Beverly Silverberg, director of public affairs at Metrolink.

"Fare-cards tended to jam, dollar bills were regularly being

Plans could save £10m a year and put a stop to 'pineapple juice'

refused, gates had a tendency to reject valid fare-cards, and the whole system was heat sensitive. It may have been state-of-the-art, but it left a lot to be desired. By the early 1980s we were looking seriously at other alternatives," she adds.

The Washington system is now running much more efficiently - 98.6 per cent of gates are available during morning and evening rush hours and the vending machines jam on average once every 10,000 operations.

In Hong Kong, the introduction of another Cubic Western Data system in 1979 for the Mass Transit Railway Corporation (MTRC) was also not without its difficulties. David Barraclough, director of operations at MTRC says that the first couple of weeks after opening were harrowing and that the average rate of operations between failures was "not up to scratch."

He nevertheless argues that at that time the system was the most modern and ambitious in existence and it was hardly surprising that there were early problems. Many of these were caused by user unfamiliarity and the unexpected difficulties in keeping the reading heads on the exit gates clean from dirt.

Another problem in Hong Kong was what Barraclough calls an unacceptable level of errors in the magnetic coding on tickets. The Corporation discovered that 73 per cent of people going to pay excess fares had had the coding on their tickets removed. Almost all of these were women whose tickets had been wiped by the magnetic clasps on their handbags.

When a third underground line was constructed in Hong Kong in 1986 the Corporation chose a French ticketing system from Compagnie Générale d'Automatismes, rather than Cubic equipment. Barraclough insists that

the decision not to give the contract to Cubic was based on price rather than reliability.

But another indicator of possible problems for LRT is a series of trials of ticketing systems conducted by BR's Network Southeast. After the tests, it chose a Swiss system by Autelca in preference to those offered by Westinghouse Cubic, Thorn EMI and the French company Crenoz.

In the tests, the Autelca system proved 14 times more reliable than the worst system. The machine offered by Westinghouse Cubic was not the least reliable. But BR says that it was close to being so.

Ken Williams at BR says: "When we chose our system, we looked at the experience of the company, delivery dates, reliability and costs. Although the Swiss

most advanced in the world and that reliability targets set by LRT are being regularly met.

Westinghouse Cubic is responsible for initial maintenance and is liable to penalties if the specification target of a mean cycle between failures of one in 25,000 transactions is not met. The company is also liable if faults are not repaired quickly. So far no penalties have been invoked.

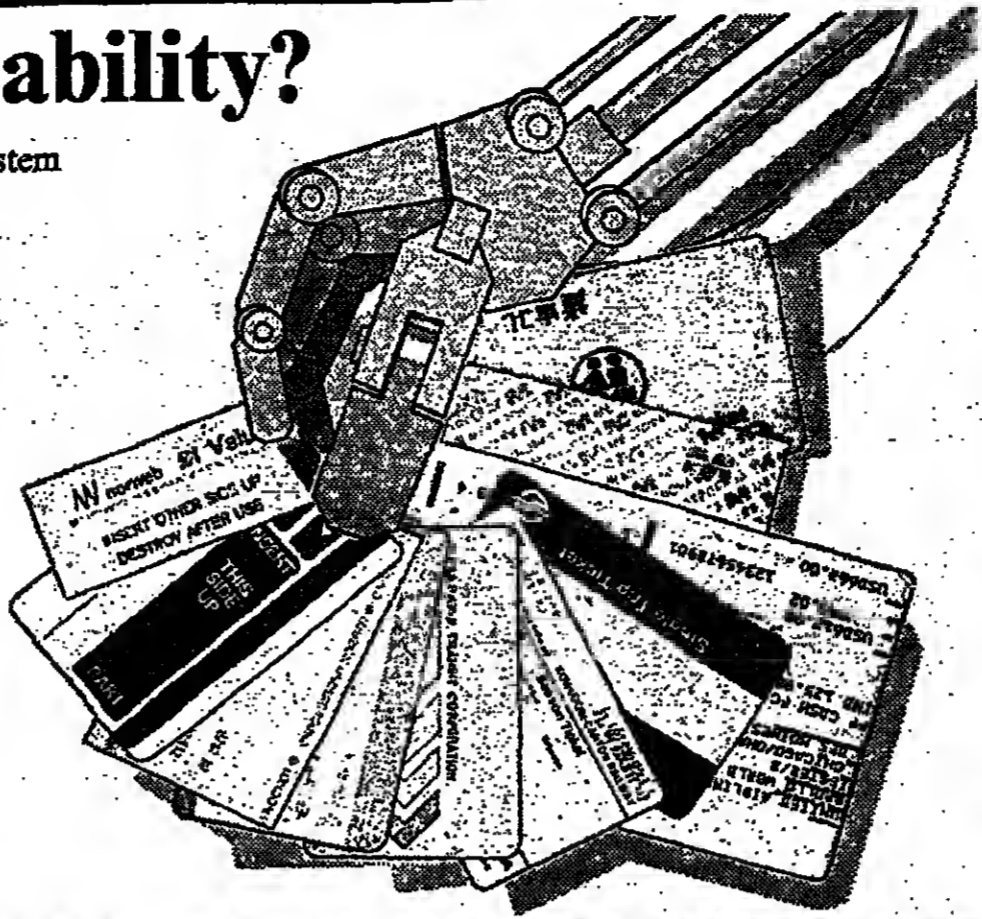
"Westinghouse Cubic gave me what we wanted," says Dong Allaway, tickets and revenue manager (operations) at LRT. "The London Underground is a large and diverse network with particular needs which Westinghouse was able to meet - it was as simple as that."

Allaway argues that reliability was not a factor that swung the decision - the competing bids from the consortiums of ICL/Compagnie Générale d'Automatismes and Plessey/Marubeni offered much the same figures. Autelca does not produce the gates needed for closed systems and did not bid for the contract.

Unlike Allaway, Richard Hope, editor of Railway Gazette International, believes reliability will have an important role to play. "By far the greatest test will be public acceptance. If the public believes the system is reliable and accepts the machines LRT can dispense with ticket collectors and the system will be seen as a success."

machines, 600 machines in ticket offices and 861 automatic passenger gates. It will then, through a central computer in Baker Street, provide information about ticket sales and passenger flow as they occur.

- Cash verification has moved on since punched and the mind computers on early automated machines, which tended to be large and generate considerable heat, have been replaced by micro processors.
- The Westinghouse Cubic system will monitor a network of 900 self-service ticket



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The Westinghouse Cubic system will monitor a network of 900 self-service ticket

Putting paid to the money grabbers

THE TICKET vending machines available to underground transport systems have come a long way from the blue boxes introduced in London during the 1930s. In the last ten years, progress has been rapid.

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WORTH WATCHING

Edited by Geoffrey Charlish

Financial advice goes on the record

SINGER ELECTRONICS of London has developed a £2,500 recording unit intended to help financial advisors maintain records of transactions, as required by the UK Financial Services Act, due to become law in April. The device can be connected to any outside or private exchange telephone line.

Singer's Financial Services Recorder (FSR) records the advisor's phone conversations along with a record of the number dialed and the time and date. The FSR is also connected to the advisor's workstation via a standard computer interface.

Thus, data obtained when the advisor consults his computer files, or an on-line information service, is also recorded. He will then be able to show he took the necessary steps to obtain relevant data.

In the event of a dispute, the advisor should be able to provide a full and clear record of all stages of a transaction. After April, financial services companies will have until October to implement the Act's requirements. Singer believes its FSR will speed matters, and pay for itself within six months.

Floppy discs flat out in an optical orbit

FLOPPY OPTICAL discs with a storage capacity 800 times greater than the familiar 5.25 inch magnetic variety could soon appear on the market following the development of a suitable drive by Bernoulli Optical Systems Corporation (BOSCO) of Boulder, Colorado.

Up to now, optical discs have had to be perfectly flat and rigid, which has meant they have been correspondingly expensive to manufacture.

BOSCO is working in conjunction with Imperial Chemical Industries (ICI) of the UK. ICI earlier this year launched Digital Paper, a flexible optical recording medium which is likely to be used in the manufacture of "floppy opticals".

In the BOSCO drive, the centrally supported floppy disc is spun under a specially formed fixed, rigid disc which houses the recording head.

The plate channels the air flow and increases its velocity, reducing the pressure above the disc and causing its outer parts to rise until, at a specific speed, the whole disc area is flat.

Fair exchange of quality television

IN GERMANY, the Standard Elektrik Lorenz Research Centre (SEL), an Alcatel company, is developing a broadband (high data rate) telecoms exchange which will enable high quality television transmissions to be dealt with in much the same way as ordinary phone calls.

A first version of the exchange is about to be tested in Berlin in an ISDN (integrated services digital network) trial which will include SEL's wide-band 140 megabit per second approach. (Regular ISDN channels use 64 kilobits per second channels).

By compressing the video signals in a device called a codec (coder-decoder), normal 64 kilobit ISDN channels can be made to carry TV images. But these somewhat degraded pictures may not win public acceptance and SEL's approach will allow high quality video pictures to be transmitted and switched between subscribers.

Only a relatively simple code is required.

The broadband exchange - which is based on the System 12 exchange developed by ITT before its merger with Alcatel - is expected to be available before the end of this year.

Lighter load for the beer drinker

UNITED GLASS in the UK is producing beer bottles that are 20 per cent lighter in weight but are stronger than conventional designs. Guinness is the first UK user and the company expects significant benefits to its export business in terms of reduced freight charges.

United Glass has spent £4m on developing its new bottle manufacturing process, which resulted from collaboration with Owens Illinois and Heye Glas in the US.

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The plate channels the air flow and increases its velocity, reducing the pressure above the disc and causing its outer parts to rise until, at a specific speed, the whole disc area is flat.

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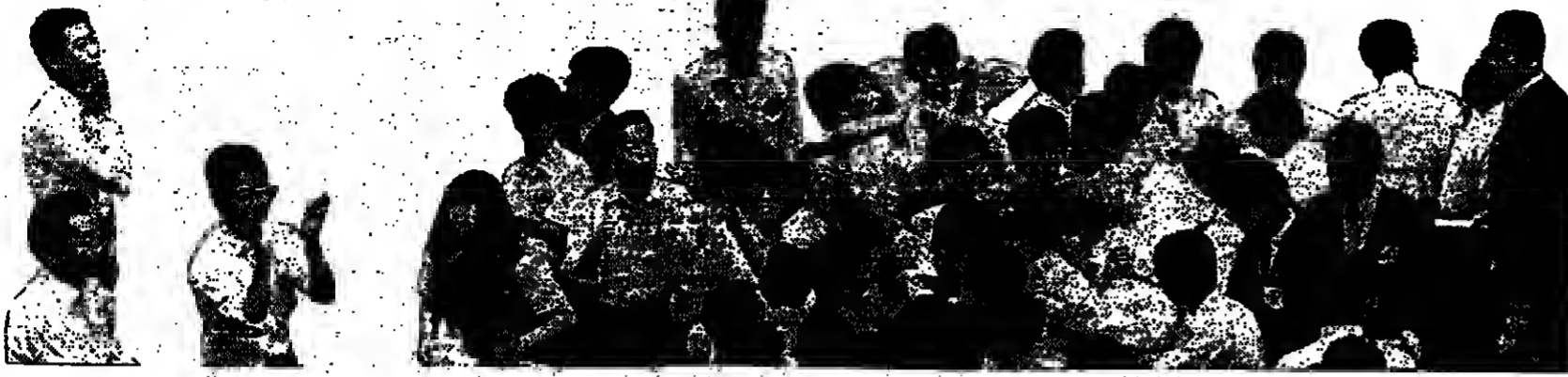
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Organised by the Machine Tool Industry Association, 62 Bowater Road, London W2 3PH Tel: 01-432 6671 Fax: 01-724 7789 Telex: 27829

JAPANESE SECURITIES REGULATION



The trading floor of the Tokyo stock exchange

Fighting for the spoils of reform

JAPAN'S big banks and securities companies, having fought their way to the top of many world financial markets, are now turning on each other at home. In a rapidly intensifying struggle, they are wrestling for bigger shares of Tokyo's vast securities business.

The hostilities have been caused by the worldwide trend to securitisation - the raising of funds by stock or bond issues instead of traditional bank loans. In Europe, banks have already responded to this change, notably by expanding their merchant banking divisions and by buying securities companies.

In Japan, as in the US, banks have been prevented from advancing into securities by a legal barrier which has kept banks and stockbrokers from treading on each other's territory. Debate over the reform of this legal barrier, Article 65 of the Securities and Exchange Act, has become the main financial issue in Japan. The arguments mirror the continuing discussion in the US over possible repeal of the Glass-Steagall Act, on which Article 65 is modelled. But in practice the breakdown of the old rules in Japan is becoming irreversible.

For example, the leading Japanese banks now have securities subsidiaries in London, New York and elsewhere (and some of those subsidiaries have set up unofficial representative offices in Tokyo). The banks have also been strengthening their links with second division securities companies in Tokyo. The big four Japanese securities companies, Nomura, Daiwa, Nikko and Yamaichi, have all acquired banking licences in London (with the tacit approval of the Japanese Ministry of Finance).

Meanwhile, new financial markets, which tend to combine aspects of banking and broking, are forcing the authorities to make compromises within the

existing legal framework. Points of confrontation between Japanese banks and securities companies are increasing rapidly. Particularly overseas, Japanese financial groups are showing a fiercely competitive obsession with market share.

In Japan, the big four securities companies have extensive retail networks and have acquired enormous financial muscle. Last year, Nomura overtook Toyota Motor as the most profitable company in Japan. Last month it raised ¥170bn (\$72bn) for further expansion. If anything, the banks look the weaker competitors, burdened with low profitability and bloated loan books.

Japanese banks' return on assets was always relatively low, but it is now only between 0.4 and 0.5 per cent, against more than 1 per cent for US and European banks.

Last year agreement among central banks on capital ratio levels put another burden on the Japanese banks, which will have to raise an estimated ¥400bn-¥500bn each in new capital over the next five years to come up to the new standard. Thus, the bankers tend to see access to the securities markets as necessary for their survival.

The securities companies see things differently. They say that separation of banking and securities promotes competition between two channels of finance and reduces the risk of conflicts of interest. They also claim that the banks could become too powerful. Mr Koichi Kimura, a managing director of Daiwa Securities, is worried that fully deregulated banks might become universal institutions and swamp the competition. "Some people fear that if the big banks get control it will be like West Germany," he says.

Both sides are already competing with each other abroad and

increasingly at home. In London, where they face few restrictions, Japanese banks have forged ahead. Industrial Bank of Japan's London securities subsidiary was last year the eleventh largest lead manager in the Eurobond market. Excluding Japanese corporate bonds (which IBI is not allowed to lead manage), IBI was third Japanese institution in the market, behind Daiwa and Nomura.

In New York, banks tread carefully for fear of upsetting US regulators. Sumitomo Bank nevertheless ran into trouble with the authorities over the \$500m stake

The breakdown of old rules is becoming irreversible

it took last year in Goldman Sachs, the US investment house. It has been banned from sending staff to Goldman for training. Long-Term Credit Bank has had more success with Aubrey G. Lanston, a primary dealer in the US bond market which it acquired last year. The bank has won permission for Lanston to open an office in Tokyo.

Meanwhile in Tokyo, most leading banks have links with medium-size Japanese securities companies. Holdings in such affiliates are limited to 5 per cent, but the banks can transfer staff to the securities companies. At Dai-ichi Securities, for instance, the chairman and president came from Long-Term Credit Bank.

Banks are supposed to keep relations at arm's length. But they are increasingly favouring their affiliates. Last year, for example, Sanwa Bank gave 17 per cent of the underwriting for a share issue to its affiliate Towa

Securities, a percentage many times larger than Towa's normal market share.

For the moment at least, the authorities insist banks keep such deals to a minimum. So the real extent of the banks' desire to challenge the brokers only became apparent with the opening in November of the commercial paper market - the first time the two sides could compete at home on equal terms. Interest rates were driven so low by competing underwriters that issuers could put the proceeds in a deposit account and make a profit. A similar fight can be expected when Japan's first full-scale futures and options markets open later this year.

The Japanese Ministry of Finance has carefully avoided infringing Article 65 by tortuously defining separate fields for banks and brokers. But there is enough overlap - in interest-rate and currency instruments, for example - for genuine competition between the two sides.

Longer term, the key to the battle remains the status of Article 65. The Finance Ministry says the outcome is undecided, but evidence is gathering that reform is on the way.

In the US, Glass-Steagall is under review because of an abolition bill presented by Senators William Proxmire and Jack Garn. US thinking has a powerful influence on Japan, where the financial laws were mostly framed during the post-war American occupation. An advisory committee to Japan's Finance Minister, in a report critical of the separation of securities and banking business, says: "The Glass-Steagall Act... was established in the light of the critical condition of financial institutions at the time of the great panic in the 1930s. It is a big question whether the conditions at the time of the establishment of this act are still meaningful today."

The Big Four securities companies, especially Nomura, have been striving to catch up with the banks in political clout. But the banks still carry great weight with their chains of contacts throughout Japanese industry and the civil service. Article 65 will not necessarily be abolished, but reforms could mean that it will no longer matter.

In the market place, it is already clear that some securities companies will be under pressure if the banks get their way. Japan has more than 200 registered stockbrokers, many of them small retail operations. A senior official of the Finance Ministry's securities bureau says he is most concerned about the medium-size companies which compete for institutional business. Those linked to banks will presumably be safe, but a few independents might face difficulties.

Mergers might be on the way. For example, Fuji Bank, which is linked with Daiwa Securities, has recently increased its holdings in Hirakata Securities from 5 per cent to 15 per cent (these shares are spread through companies in the Fuji group so as not to infringe the 5 per cent rule).

Not all the banks are in a position to take advantage of deregulation in securities. Bank of Tokyo, Japan's leading foreign exchange bank, for example, lacks a strong domestic branch network. Strong regional banks, with local deposit bases, are well placed. But medium-size banks in Tokyo could be under pressure through competition from city banks.

The securities companies may have the initial advantage - defending immensely strong positions in the equity markets. But the banks have been preparing their assault for a long time.

Stefan Wagstyl

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In accordance with the provisions of the Fiscal Agency Agreement between Banco Internacional S.N.C. and First Interstate Capital Markets Limited, dated as of 15th September, 1986 notice is hereby given that the Rate of Interest for the next six month Interest Period has been fixed at 7.875% p.a. and that the interest payable on relative Interest Payment Date, 26th September, 1988 in respect of U.S. \$100,000 nominal amount of the Notes will be U.S. \$4,068.75.

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A leading international investment bank seeks a high calibre individual to improve and maintain the quality of accounting information derived from the settlement department of its UK market-making and institutional broker dealing operation. The successful candidate will ideally hold professional qualifications and possess sound management qualifications, and good management accounting skills, combined with knowledge of Stock Exchange settlements and be keen to prove themselves in a challenging environment. Previous supervisory experience would be beneficial. Contact Ann Winder or Jane Almond.

CHIEF DEALER (Designate) to £40,000

An expanding European bank in the West End is seeking a senior dealer, aged 35 to 45 years, with sound experience of spot/forward and deposits to set-up and run a new dealing room, together with the responsibility for hiring additional staff. The successful applicant will possibly be of chief dealer status and will relish the opportunity of a start-up situation. Contact Trevor Williams.

COMPLIANCE OFFICER to £35,000

An excellent opportunity has arisen for a compliance officer to join a rapidly expanding international bank. Applicants should have direct experience in this field and be ACA qualified. The successful candidate will be responsible for supervising the department. An excellent benefits package is offered. Contact Caroline Sheridan.

PROPERTY LENDING £25,000 +

A City based merchant bank seeks an experienced property marketing officer for a management level position. Although working from a London base, the successful applicant will deal with the land acquisitions and financing of property projects throughout the UK. A banking and/or surveying background is required. Contact Norma Givens.

FIXED INTEREST ANALYST to £40,000

A major global investment bank is strengthening its fixed interest fund management capability in London. We are advising them in the recruitment of an analyst with substantial experience and a high order of demonstrable ability in this area. Contact Barbara Debet.

COMMODITY ACCOUNTANT £25,000

Our client, a major European metals trading house, has a requirement for a fully qualified ACA with at least two years' experience in metals accounting. The successful candidate will report directly to the Chief Accountant. Contact Vanessa Nokes.

LOANS & CREDIT MANAGER £25,000

An experienced manager with the ability to co-ordinate the loans administration and credit functions, and to advise management on the development of internal procedures, is sought for the City branch of a privately owned international bank. Contact Michael Hutchings.

SPOT/FORWARD DEALERS £Negotiable

A major European bank is further expanding its successful foreign exchange team and is therefore seeking several experienced \$/major European currency dealers. Very competitive salaries and benefits will be offered to attract high calibre candidates. Contact Norma Givens.

SINGAPORE SYDNEY

Jonathan Wren

Recruitment Consultants
No.1 New Street, (off Bishopsgate), London EC2M 4TP.
Telephone: 01-623 1266. Fax: 01-626 5258.

A century and a half of growth has made Legal & General one of the great names in life and pensions, investment management, general insurance and financial services. The Group now comprises six business units with operations in Europe, North America and Australia.

These will include researching the Group's funding opportunities, addressing currency and interest rate exposures, implementing effective cash flow forecasts and developing treasury information systems. You will also be instrumental in developing cash management systems and managing credit rating agency relationships.

The breadth and importance of these functions mean that you will be a numerate graduate with either an accountancy qualification or an MBA. You will have experience of the finance function gained either in industry, a financial institution or a bank and have recently spent 2-3 years in a treasury department.

Anyone currently earning less than \$25,000 is unlikely to have the requisite knowledge or experience for this corporate-level post. The salary is negotiable and the full financial sector benefits will include a car.

For further details, please send a detailed cv to: P.J. O'Sullivan, Personnel Manager (Group), Legal & General Group plc, Temple Court, 11 Queen Victoria Street, London EC4N 4TE.



ASSISTANT GROUP TREASURER

Neg. salary plus financial sector benefits and car.

City

As you can imagine, the range and complexity of financial policy issues facing the Group is greater than ever before, and it's in this atmosphere of challenge and increasing diversity that the appointment of Assistant Group Treasurer is being made. The overall objective is to support and assist the Group Treasurer in developing and implementing the corporate treasury function, and handling the day-to-day treasury activities. There are, however, many additional responsibilities.

A · WEALTH · OF · CHALLENGE · IN · TREASURY · MANAGEMENT ·

Manager, Central Credit Unit

City £ neg + full banking benefits

This well established International Bank with a rapidly expanding business in Corporate Banking, Capital Markets and Treasury, seeks to fill a challenging new position. The ideal candidate will be aged 28-36, have a sound credit knowledge with some product banking experience, and will have demonstrated the ability to successfully lead a small team of staff. The Central Credit Unit will have responsibility for developing credit policy initiatives for the operation, and managing country risk exposure within the Bank's European operations. The post offers an attractive salary together with a full range of banking benefits with excellent prospects for promotion and advancement in a variety of areas in the Bank. Interested candidates should contact the retained consultants Mark Hartshorne or Niall Macnaughton on 01-404 5751 or write to them at Michael Page City, 39-41 Parker Street, London WC2B 5LH.

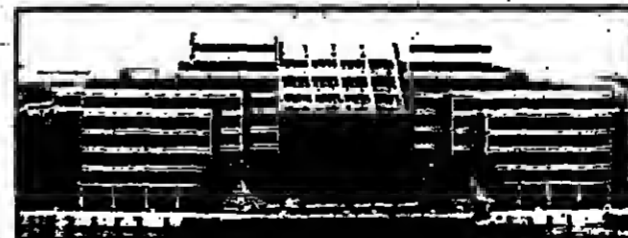
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ASSET FINANCE SPECIALISTS

Leasing and Hire Purchase

CIBC is a major Canadian Bank with a secure and well established reputation in London. We are committed to furthering our activities here and encouraged by an extended period of growth, have recently formed a new Asset Based Finance Group. To develop our activities in this area we seek Accomplished Asset Finance Specialists in the Leasing and Hire Purchase markets. Joining our Marketing function at Managerial Level, you will have a first rate knowledge of the Asset Finance market gained through a minimum of five years' experience. Your technical expertise will be backed up by your

confident personality and excellent communication skills. You will also be expected to prepare credit reports and play a full part in the activities of the Team. There are very clear opportunities for career and personal development within this new group and we are prepared to offer excellent starting salaries, together with a generous benefits package, including company car, mortgage subsidy and non-contributory pension scheme. If you wish to apply, please send your CV to Alison Fiske, Personnel Officer, CIBC, Cottons Centre, Cottons Lane, London SE1 2QL. Tel: 01-234 6595.



CANADIAN IMPERIAL BANK OF COMMERCE

SALES, TRADING AND BANKING OPPORTUNITIES

On behalf of our Clients we are currently seeking executives with the following experience.

EUROBOND SALES £ NEG

To cover Europe, the Middle East, and the United Kingdom institutional accounts. Must be able to demonstrate thorough knowledge of the fixed income markets and have a proven track record in these areas.

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A Warrant/Convertible Trader, specialising in European markets is required to augment an existing team of equity related traders.

YEN BOND SALES/TRADING £ NEG

Executives with either skills are urgently required by a leading international name in capital markets.

TRADE FINANCE To £25K Plus Benefits

Major European Finance House requires Marketing Officer to expand existing customer base. Candidates should be in their late twenties and possess working knowledge of trade and commodity finance.

ECONOMIC RESEARCHER To 20K Plus Benefits

Excellent opportunity for an Economics graduate to join an existing worldwide financial research team, supplying all appropriate interest rate forecasts, statistics for bond and equity instruments etc. German or Japanese language would also be a distinct advantage.

OPTIONS/FUTURES To £25K Plus Benefits

Top Japanese name needs Assistant Manager to help cover the management risk in fixed income products. Good experience necessary.

For further information please telephone 01 726-4133 and speak to JIM ADAMS or ALAN PENHALLOW or write to the address below giving full details.

All enquiries will be handled in the strictest confidence
ADAM PEN ASSOCIATES LIMITED
Recruitment Consultants
2-9 Mason's Avenue, Basinghall Street, London EC2V 5BT

FINANCIAL CONTROLLER

FRANCOPHONE AFRICA

Our Client is establishing a commercial bank in francophone Central Africa and seeks to fill the above key post.

The Group's wide-ranging activities in the sphere of trade and finance are at present largely concentrated in English speaking African countries but extend to over 40 countries worldwide.

Applicants should be qualified in finance or accounting preferably with work experience in a banking environment and should be fluent in either English or French, with a very good working knowledge of the other. Experience of living and working in developing countries will be advantageous.

Appointments will be made for an initial 2 year period but career prospects within the expanding Group are excellent. An attractive remuneration package will be negotiated with the successful candidate.

Please reply to: Managing Director, PH Recruitment Limited, 16 Grosvenor Street, LONDON W1X 9FB

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Bristol: Muggs House, 78 Queens Road, Clifton BS8 1JX. Tel: 0272-229933.



MAJOR INTERNATIONAL BROKER SEEKS PARIS-BASED UK EQUITY SALESPERSON

REQUIREMENTS
Minimum 2 years experience with bank, broker or similar institution. Higher education in finance or business administration. Knowledge of European markets, especially equities. Fluency in written and spoken French.

Please send cv to: Patrick Fiard
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Paris, FRANCE

FOREX

APPOINTMENTS
for Forex, Capital Markets and Treasury appointments consult a specialist agency

Terence Stephenson
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Tel: 01-248 0283

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COBOLD ROACH - Corporate Members of the Stock Exchange seek a Member or Registered Representative to join a busy and expanding office at Newport, Isle of Wight. Own business would be an advantage.

Contact P J Coke
0983 520622

WARDLEY INVESTMENT SERVICES INTERNATIONAL LIMITED

OPERATIONS DIRECTOR

Wardley, the Investment Management subsidiary of The Hongkong and Shanghai Banking Corporation, is seeking an Operations Director for its London office. The major responsibility will be to provide full administrative and financial support services under one line Manager reporting directly to the Managing Director.

The Candidate requirements are:-

- At least 10 years directly relevant experience in the UK Securities Industry. Most recent experience should be in the Investment Management business.
- To be conversant with the relevant regulations and laws related to the Investment Management business.
- An understanding of the basic principles of Unit Trust accounting.
- An understanding of Modern Technology and its applications to Investment Management.
- Proven management skills.
- Preferred age 35-45 (it is unlikely candidates below this range will have achieved the necessary level of experience).

The remuneration package will be highly competitive, and will include a potentially significant Bonus, Mortgage Interest Subsidy, Non-contributory Pension, BUPA etc. Detailed applications, including current salary/package information which will be treated in the strictest confidence should be submitted to:-

Mrs Helen Davies, Personnel Officer,
Wardley Investment Services International Limited,
99 Bishopsgate, London EC2P 2LA.

member, Hongkong Group

LEADING FINANCIAL INSTITUTION SOUTH EAST C.£30000

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The manager heads a team of seven which includes qualified legal professionals and is responsible to the Company Secretary who controls Corporate Legal Services.

To be responsible for and have a knowledge and understanding of legal and public policy issues relating to the company product range including:

All legal aspects of operating in this business sector.

Management of legal/commercial interface characteristic of the financial sector.

Existing and forthcoming regulatory controls which impinge on a major financial institution.

EEC and statutory body relationships "TRADE MARK" and intellectual property protection.

Write in first instance with career details to Graham Tardif.

CC&P COCKMAN GREENWELL 25-26 BEDFORD ROW LONDON WC1R 4EJ

ALLIANZ

Allianz, Europe's leading insurance group, seeks a Portfolio Manager, based in Munich, to manage international investment funds.

The successful candidate, who will ideally be aged 28-35, should be a graduate with a minimum of 3 years' experience in fund management. Fluency in German is essential.

A competitive salary and all the usual benefits associated with a major international organisation will be offered.

Applications, enclosing a curriculum vitae, which will be treated in strict confidence, should be sent to:

Mrs. Koch, Personalabteilung Allianz Versicherungs AG Königsplatz, 28 8000 München 44 Germany.

Jonathan Wren International CORPORATE FINANCE & MERCHANT BANKING EXECUTIVES

New Zealand

Our client is the banking arm of a premier New Zealand financial corporation with a global strategy for merchant banking and investment banking.

We have been retained to identify key personnel with multi discipline backgrounds (ideally from a financial institution) with experience covering investment and merchant banking, M & A's, LBO's, corporate advisory services, syndications, asset backed securitisations etc., to help develop and implement their new positive marketing policies.

Candidates, ideally aged 25 to 35 years, must be self-starters with demonstrable experience of innovative marketing strategies and/or products and a proven track record of profitability.

Location will be Auckland, New Zealand and salary/benefits packages, relocation expenses etc., have been structured to match the international calibre of staff who will ultimately be appointed to this team.

Please forward a comprehensive cv, which must include details on how you match the above requirements, to Michael Hutchings who is assisting our client on this assignment.

LONDON HONG KONG SINGAPORE SYDNEY

Jonathan Wren International

Recruitment Consultants No. 1 New Street, Off Bishopsgate, London EC2M 4TP. Telephone 01-623 1266. Fax 01-623 5258. Telex 9554673 Wrenco

International Fund Managers Europe, Japan and North America

for UK based international insurance company with worldwide assets in excess of £12bn

As a result of the continued expansion of funds under management and in response to the continuing development of a worldwide financial strategy, our client invites applications from candidates who can show a record of above average investment performance with particular emphasis on Unit Linked Funds.

The selected candidates will join a team with a respected and competitive track record in such funds. The individuals will be expected to liaise with the professional client base of their respective funds as part of an integrated marketing role. Essential qualities are flair, self-motivation and personal initiative.

The remuneration package will be fully competitive and includes performance bonus, subsidised mortgage and other benefits appropriate to a major international company.

Please write with full personal, career and salary details. These will be forwarded direct to our client. List separately any companies to whom your details should not be sent.

Joy Hill, ref. JFH/B/46.

MSL Advertising, 32 Aybrook Street, London W1M 3JL.

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CONSULTING ACTUARY

English FIA, returning from US after 12 years, seeks 2 year assignment with multinational, European company or UK employer benefit.

Reply Box A955, Financial Times, 10 Cannon Street, London EC4P 4DF

BARCLAYS

Head of Treasury Sydney, Australia

Barclays Bank Australia Limited is seeking an accomplished professional with the technical and personal abilities to manage and develop a successful dealing operation.

The bank has been established in Australia for many years and has a substantial long-term commitment to the local market.

The successful applicant will carry overall responsibility for the bank's trading activities in foreign exchange, securities, bonds and futures. It is imperative, therefore, that candidates have considerable foreign exchange dealing experience in both the spot and forward markets together with an in-depth knowledge

of the money markets. Proven leadership qualities must be displayed.

The bank is extremely ambitious in this field and, as such, requires a pro-active, dynamic and senior management calibre individual for this key position.

A highly attractive salary package will be negotiated and re-location costs will be paid.

Please contact Nick Waterworth on 010612-235 1488 or Nick Root on 01-831 2000. Alternatively forward a resume to Michael Page International, Level 19, 1 York Street, Sydney NSW 2000.

Fax No: 010 612 251-1444 (Quote Ref: NW/810).



Michael Page International

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(EUROPE, MIDDLE EAST & AFRICA)

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Holiday Inn are a leading international force in hospitality with over 1700 hotels worldwide catering for the needs of today's business and leisure traveller.

For someone with a breadth of financial awareness, who is confident of dealing with complex operations on an international scale, we offer an excellent opportunity to step into an influential role.

Responsible for the direction of all financial matters in our Europe, Middle East and Africa region you will advise the Managing Director on administration of the company's branches, subsidiaries and joint ventures and supervise our regional Financial Controllers. You will have the business presence that will carry weight at every level; to develop effective relationships with senior Management within the region and throughout the group; to insure contacts with financial, tax and audit firms, as well as government and EEC authorities. Above and beyond these extensive abilities of sound business acumen you will also possess creative planning skills that will enable you to make a genuine contribution

to corporate strategy as a member of the Executive Committee of the region.

Educated to degree level and with formal accountancy training, the qualities we are looking for will have been developed over at least ten years commercial experience in the international business arena. Any knowledge of the hotel business you could bring would certainly be an asset but it is essential that you are fluent in English and one or more other European language, preferably German or French.

As you can appreciate this is a high profile role that will entail significant pressure for which you will be well prepared. In return however there is an outstanding salary and benefits package that will undoubtedly match your experience and your expectations.

In the first instance write to Touche Ross - NIA, for the attention of R. Van Muylen, Boulevard St. Michel 53, B140, Brussels, Belgium.

Your application will be treated in the strictest confidence.



Holiday Inn®

MARKETING PROJECT FINANCE c.£25,000

This represents an excellent opportunity to develop your career with a major European banking group. An opening currently exists for an ambitious young banker to join its project finance team. Maintaining an already significant portfolio consisting of a number of high profile projects, you will take responsibility for targeting and expanding the business base. Essential to the position are sound credit skills and a proven track-record in project finance. This is a challenging position offering scope for a flexible, self-motivated individual to contribute immediately to the team's success.

Contact Anita Harris

BRANCH BANKER LEEDS

Our client is a major International Bank with a thriving Leeds branch. This immediate requirement is for a Branch Banker with sound experience in Securities to head up the Department. Taking responsibility for the smooth running of the area, the successful candidate will also be involved in formulating marketing plans and assessing new business opportunities and to this end, will be working closely with the Branch Manager. Candidates should have a minimum of 7 years' banking experience, a sound knowledge of Corporate Securities and be either ACIB qualified or near completion of the ACIB Stage II. Our client offers an excellent salary and benefits package.

Contact Loretta Quigley

For further information please telephone 01-606 1706 or send a Curriculum Vitae to the address below.

Anderson, Squires Ltd., Financial Recruitment Specialists 127 Cheapside, London EC2V 6BU

Anderson, Squires

QUALIFIED ACCOUNTANT (ACA/ACMA) £25,000

Our client, the investment subsidiary of a prime international bank requires a No. 2 to report to the Financial Controller. A minimum of 2 years experience in management accounting is essential.

INVESTMENT TRUST MANAGER c£50,000

A newly created position in an international bank who are seeking to appoint an experienced manager to establish and run a unit trust fund in international currencies and capital market instruments for their customers.

UNIT TRUST ADMINISTRATION MANAGER TO £25,000 + CAR

A progressive young company with proven expertise in Unit Trust and offshore funding are seeking an experienced and enthusiastic administration manager to set up and run the entire back-up and office administration which will include day to day processing, staff matters, computers etc.

ACCOUNT OFFICER £20,000 + CAR

A proven marketing and good credit background in international banking is required to join an expanding team in a well established European bank in the City.

BUSINESS DEVELOPMENT - TRADE FINANCE TO £25,000

An expanding European bank are seeking a Calling Officer to join the marketing department. Experience in financing international trade essential; commodity financing would be an advantage.

INTERNAL AUDIT COMPLIANCE £16K

An excellent opportunity for an international bank auditor preferably with a professional qualification to join a new bank in the City with a positive expansion programme.

OLD BROAD STREET BUREAU LTD STAFF CONSULTANTS 109 Old Broad Street, London EC2N 1AP, Tel: 01-588 3301

RIYAD BANK SENIOR MANAGER - INTERNATIONAL

Riyad Bank, one of the largest and most prominent banks in the Middle East is seeking a key appointment for a Senior Manager position in the International Banking Division at its Head Office in Saudi Arabia.

The candidate will be responsible to the Assistant General Manager-International for the development, planning, and controlling of the international operations of the bank. Fields of duty will include correspondent banking, international investment and lending, and establishment and overall controlling, policy setting and evaluation of overseas branches and affiliates.

The candidate should already be at an executive level in a large international bank, and ideally will have had experience of working overseas. Maturity, self initiative, and adaptability are essential attributes.

A fully competitive package will be offered to the high calibre individual that this post requires.

Please respond in strict confidence to the: Assistant General Manager (Personnel) Riyad Bank, Head Office P.O. Box 1847 - Jeddah 21431 Saudi Arabia

BRANCH AUDITOR

City c£30,000 plus car

Our client is a highly-respected, international merchant and wholesale commercial bank with offices in the world's major financial centres. In keeping with the bank's conservative risk policy it now seeks to strengthen its audit function by the appointment of an independent auditor to be based in the London branch but reporting to the Chief Auditor at Head Office.

The auditor will be expected to work independently and undertake both financial and operational audits covering the treasury, commercial and investment banking areas, producing accurate, concise reports. It is not anticipated that more than 7/8 weeks' travel per annum will be required.

Candidates must hold a professional accounting qualification and will probably be aged 30-40 with at least three years' post-qualifying relevant bank experience. This should include a knowledge of foreign exchange, money market instruments, letters of credit, loans and advances, marketable securities, financial futures, FRA's, interest rate swaps and options.

The salary is negotiable and the attractive benefits package will include a car. Long term career progression is also envisaged.

Please forward a curriculum vitae in strict confidence to Roy Webb, Managing Director, or Walter Brown, Executive Director or telephone them on (01) 895 8050 (daytime) or (04882) 73619 (evenings) for further information.

INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

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We require a Commercial Broker to analyse, package and place loan requests for property development, investment mortgage and business finance, in our expanding Financial Services Department.

Ideally, the successful candidate will have had a formal credit training with a commercial bank or major building society. Extensive ongoing training will be given.

A generous package of salary with incentive is provided, along with potential for explosive career growth.

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Top Spanish executive, fluent in Spanish, English, French and Italian. High social position Director Chamber of Commerce.

Good knowledge and contacts with banks, industries, import-export, forwarding, distribution, etc.

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ADVERTISEMENT Due to a technical error, The Building Society Loan Terms Table was printed incorrectly on Saturday 19th March. Printed below is the corrected table.

Table with columns: Product, Applied rate net, Interest, Minimum, Access and other details. Lists various building society products like Abbey National, Ald to Thrift, Alliance and Leicester, Barnley, Birmingham Midlands, Bradford and Bingley, Bristol and West, Britannia, Catholic, Century, Chelsea, City of London, Coventry, Frame, Gannock, Halifax, Henderson, Lambeth, Lancashire, Loughborough, Loughborough, Leeds and Holbeck, Leeds Permanent, Marsden, Marston, National Counties, Nationwide, Northern Rock, Norwich, Nottingham, Peabody, Portsmouth, Priory, Scarborough, Sheffield, Skipton, St James, St Andrew, St George, St Leonards, Wessex, Woodway, Yorkshire.

APPOINTMENTS

Mowlem Group airports chief

Mr Bill Charnock is to join the MOWLEM GROUP to lead its aviation related interests. In early April he becomes managing director of London City Airport, and of Mowlem Airport projects, the vehicle through which the group intends to take advantage of other airport related opportunities.

Mr Christopher W. Ross, a director, has been appointed company secretary of DGL. Mr Keith Williams has been appointed manufacturing director of LEWDEN METAL PRODUCTS and ROBERT LEWIS (MAYLEBONE).



THE BRENT WALKER GROUP has appointed Mr Ron Hart as managing director of newly formed Brent Walker Inns. He joins on April 11; he was regional trade director of Whitbread South.

Mr Richard Ferre has been appointed UK customer services director for NOBEX DATA. He was UK customer services director at Prime Computer.

Mr Peter Whitting, group financial controller, has been appointed to the board of CHRISTIEN TYLER as financial director and company secretary.

Mr Michael Lawton has been made a director of VAT WATKINS with responsibility for surveys.

Mr Harry Faulkner has been elected chairman of ALFA LAVAL CO. He is president and

chief executive officer of Alfa-Laval AB, the Swedish-based parent company. He succeeds Mr Lennart Berglund who has retired. Mr Garry Conrad, managing director of D Dekker, has also been made managing director of another Cowan de Groot company, COWAN DE GROOT (TOYS AND GIFTS).

Mr Erik G Atkins has been appointed divisional director-business development of SIMON-CARVES, a Simon Group company. He was general sales manager of Babcock Power. Mr David Young has become divisional director-project services. He was previously project manager.

WAYMASTER has appointed Mr Christopher Tyler as managing director. He succeeds Mr Gordon Clarke who died in November.

BERKELEY ST. JAMES'S has appointed Mr George Fee as a director. He was a director of John Charcol, and managing director of its subsidiary financial services company.

Following the retirement on April 30 of Mr L.W. White, managing director of the WATTS TYRE GROUP and subsidiaries, Mr J.C. Thurston, managing director of Watts of Lydney Group, additionally becomes managing director of the Watts Tyre Group. He is already chairman of Watts Industrial Tyres, and also becomes managing director. Mr J.L. Watts, director of Watts of Lydney Group, is appointed director of the Watts Tyre and Rubber Co., and deputy managing director of the Watts Tyre Group. Mr M. Taylor remains financial director of the group.

Mr D. Pearson, production director of Watts Industrial Tyres, is appointed director and general manager of Watts Industrial Tyres.

Mr John Sharp has been appointed managing director of CMG BUSINESS SERVICES. Mr Leigh Smith has been appointed managing director of CMG Business Services Southern.

Sir Roland Whitehead has joined the special equities and mergers group of EBC AMRO as senior adviser on mergers and acquisitions. He was managing director of Brown Shipley Mergers and Acquisitions.

On March 31 Mr Robin Farrington will succeed Mr Alex Bennett

CONTRACTS

Guarding London's computer service

Worth over £2m, a facilities management contract has been awarded to HOSKYN'S GROUP, a computer services company, by the London Residuary Body (LRB) to safeguard the future of its Central Computer Service (CCS). The deal, which will be for three years with an option to extend, is worth some £14m annually. Hoskyns will take over the management of CCS employing its 300 staff, acquiring its computing assets and providing a computer service to local government customers and the LRB.

Mansell wins over £11m refurbishment orders

R. MANSELL, Croydon, has won contracts totalling over £11m for refurbishment, repair, maintenance and minor work for Japan Airlines, a near 1m refurbishment of offices and warehouse at Cargo Terminal, London Heathrow Airport; a £1m package improvement in 22 weeks of 70 council flats in four-storey blocks for the London Borough of Sutton at Radcliffe Gardens, Croydon; a £265,000 construction of an additional floor with mansard roof to offices in Russell Way, Crawley, Sussex, and extension to car park at Roundshaw Estate, Wallington, Sutton, £680,000 re-roofing of six blocks of two and three-storey homes for the London Borough of Sutton; a £560,000 conversion of offices, including re-roofing of rear wing into homes at 32 and 33 Summer Place, London SW1 for Cardigan Estate; a £600,000 re-roofing of five five-storey blocks of flats for the London Borough of Tower Hamlets at Bancroft Estate, Colebert Avenue, E2; for Netherhall Educational Association a £440,000 demolition, reconstruction and refurbishment to provide chapel and bedrooms at 1 Orme Court, W2; a £415,000 refurbishment to form office accommodation at four-storey Georgian terrace with basement at 18-19 Southampton Place, WC1 for D O B Estate; for the TAVER, £410,000 drainage works, uplifting and renewal of parade ground, and a new ammunition store in Mitcham Road, Croydon. Other contracts include £345,000 alterations to form dayrooms, an ICU and laboratory at University College Hospital, University Street, WC1 for Bloomsbury Health Authority; £232,000 repairs and re-roofing for National Westminster Bank at Newton Butts, SE11; £225,000 new pitch roof and flat refurbishment at Kingsbridge House, Maple Road, Penge for London Borough of Bromley; £215,000 construction of lift shaft, alterations and refurbishment for the College of Psychic Studies at 16 Queensbury Place, SW7; £225,000 fitting out, including new shopfront, for Wilco at 82-100 City Road, EC1; £220,000 remedial work for pedestrian walkways for London Borough of Sutton at Powell Close, Roundshaw Estate, Sutton. In addition, building maintenance and minor works to the value of £2m have also been awarded.

Cambridge office block

Seven contracts, worth more than £2m, comprising two office blocks, two car company industrial units, two refurbishments and a fish processing plant have been awarded to SDC BUILDERS, Bedford. The biggest is a riverside HQ for Cambridge Interactive Systems, at Harston Mill, Cambs. Designed in glass and steel it will cost £1.7m when completed in a year's time. The other office development comprises 5,000 sq ft over four storeys costing £440,000 for Penge Estates at Watford. At Fords, Dagenham, SDC is constructing a £600,000 paintshop, while at Austin Rover's Longbridge plant the company is about to start work on a design and build inspection facility costing £250,000. The refurbishments are to an office block owned by Frogmore Estates at Leamington Spa (£400,000) and at two British Rail stations at St Neots, Cambs and Sandy, Beds, (£300,000) while the fish plant, which will produce animal feed, is for BOCM at Rengrew and worth £500,000.

LAWYER

International scope with leading investment house.

Salomon Brothers, one of the world's largest international securities firms, seeks a lawyer to join our transactions management group in Corporate Finance. Liasing with our New York, Tokyo, Frankfurt, Zurich and Sydney offices, you will provide our Corporate Finance and Capital Markets Groups with legal and documentation support in conjunction with outside legal counsel. Your role will involve dealing with a wide variety of transactions, from bond and equity issues to property financing and mergers and acquisitions. Aged between 26 and 32, with up to four years post-qualification experience in a banking environment or City law firm, you must have excellent communicative skills both oral and written. An in-depth knowledge of Euro-market practice is highly desirable, as is a familiarity with the other legal jurisdictions and common tax concerns of issuers. In return we offer a generous package including an attractive salary and a full range of fringe benefits. Please write in confidence, with full career details, to Pandit Crite, Salomon Brothers International Limited, Victoria Plaza, 111 Buckingham Palace Road, London SW1W 0SB.

Salomon Brothers International Limited

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ARTS

Television/Christopher Dunkley

A shove up the ratings

Television channels are like giant oil tankers... Channel 4 has suddenly started to take an unprecedented large share of the ratings...

many and France, and the BBC finds no difficulty in organising services of pop music (Radio 1) "sweet" music (Radio 2) and highbrow music (Radio 3).

quantity: an irreducible minimum. With that single, simple, and very common error Steiner suddenly reduced himself to just another chap talking about books on the telly. A very healthy change, really, no doubt.



Nicholas Farrell and Harriet Walter

Cymbeline/The Pit

Martin Hoyle

Bill Alexander's production for Stratford's Other Place was reviewed by Michael Coveney last winter. Its appearance in The Pit heralds the London transfer of a heartening number of RSC hits in an unusually successful Warwickshire season.

Donald Sumpter's lago-like villain is effective and intelligent, if memorable. Harriet Walter's chaste pre-Raphaelite profile makes her masculine disguise credible, and she overcomes that breathy little-girl delivery to rise magnificently to outraged innocence and grief.

Other grating elements include the playing of the long-lost scenes in their mountainous fashion as droopily gormless hill-bills whose vocal idiosyncrasies turn the Dirge into "Fear, No more. The heat, O' the Sun."



Michael Grade: current schedules were presumably prepared before he arrived at Channel 4

Last week's subject was terrorism, especially in relation to Ireland, and predictably enough, the phrase "One man's terrorist is another man's freedom fighter" cropped up.

The difference, surely, between Ireland and other places where "freedom fighting" might be justified is that wherever you live in Ireland you are part of a democracy: no jack-booted military dictatorship prevents Sinn Féin basing its supporters to the ballot box, and the attempt to align Irish terrorism with the struggle of South American or Asian peasants to overthrow military subjugation and achieve the vote is a piece of moral depravity.

Incidentally, he or one of the other participants might usefully have put it to Mrs McAleish that even in her own terms, it was difficult to see why the British Army was "waging war" in Ireland while the British certainly did use military might to maintain imperial possessions in the past.

Gurrelieder/Festival Hall

Andrew Clements

The Young Musicians' Symphony Orchestra and its conductor James Halsey have earned a reputation for exploring the areas of the late-romantic repertoire that professional orchestras are unwilling to undertake.

both singers struggled to be heard over the saturated orchestral textures. Halsey progressively pulled things together, obtaining a more equitable balance while instrumental solos gained in confidence and character.

International dance at The Place

March 18-24

The French Institute during the first week, April in Paris. Following will be the One Extra Company from Sydney (April 20-23), Laurie Booth and Dana Reitz (23-26) and the Wind Whistles Dance Company of Stockholm.

Der Freischütz/Châtelet, Paris

Ronald Crichton

The Paris public may be indifferent to Weber's operas - Der Freischütz is seldom heard there - but his music has appealed strongly to French musicians from Berlioz onwards.

aproprions quality which just kept on the right side of the still potentially chilling music (I wish the conductor had given the orchestra its head). Keener eyes than mine saw that the large white rabbit was doing something very rude and that of the naked ladies one had huge breasts and the other an outside bum and pudenda.

The singing was sound company level - not so disparaging when you remember that good ensemble is not always the outstanding feature of opera in Paris.

The American Cheryl Studer, who is making a name for herself on the Continent, sang Agathe. One would like to hear her in early Wagner. She dealt capably if not quite richly enough with the lovely but demanding legato writing, but her florid singing was not sufficiently fleet.

Rebecca Hirsch is a fine, fiery young violinist whose recital that also exists in a version for flute and piano) he was always freely able to play up, however.

A short piece by Colin Matthews received its world premiere: Chaconne with Chorale, allegedly based on the musical letters of the composer Berthold Goldschmidt's name, and as such an 88th birthday tribute to him.

Arts Guide

Theatre

AMSTERDAM

Bellevue Theatre. The English-Speaking Theatre Company in Emerald City by David Williamson, a fast-moving commentary on life in Sydney's media jungle to celebrate the Australian bicentenary. Directed by Thomas Costa and designed by Mary O'Connor. (21 22 48).

LONDON

The Best of Friends (Apollo). John Gielgud makes probably his last appearance on the London stage as Sir Sydney Court in the comedy used by her fellow professionals.

NEW YORK

Finches (48th Street). August Wilson hit a home run, this year's Pulitzer Prize, with James Earl Jones taking the powerful lead role of an old baseball player leading a family in an inner-city city in the 1930s.

CHICAGO

Landscape of the Body (Goodman). John Guare's 1977 surrealist view of an American family: containing mystery, murder and lyrical passages features Amy Elizabeth Geis, Ray Zinnoff and Gary Cole in Robert Falls' production. Ends April 2 (443 3600).

TOKYO

A Streetcar named Desire (Imperial Theatre). Yukio Ninagawa has had the inspired idea of transposing Tennessee Williams' masterpiece from sultry New Orleans to an equally sultry Tokyo summer soon after the end of the Second World War.

Saleroom/Antony Thorncroft

China Chinese heirlooms

For once Phillips was in the limelight yesterday. It was given the task of disposing of one of the world's finest private collections of Chinese armorial porcelain. It had been assembled by Cecil Bulfinch, who died in 1981 at the age of 93, and comprised nearly 400 lots.

The art market is still in a healthy state judging by the prices paid for English watercolours at Christie's yesterday. The sale totalled £593,632, with only 3 per cent unsold. As ever Turner attracted the top price, £90,200 being paid by a telephone bidder for "The Sea, The Sea," an unusually precise, not to say picturesque pencil and watercolour vignette.

Advertisement for Autolease featuring the slogan 'We'll Keep You Ahead by Standing on Ours.' Includes contact information for Birmingham, London, and Huddersfield.

Wednesday March 23 1988

Mitterrand says 'oui'

IT IS NOT for nothing that President Francois Mitterrand of France has earned the sobriquet of 'the Florentine'. Even his fiercest opponents must admire the political skill with which he has conducted his campaign for a second term. Mr Mitterrand's announcement that he would run again, made on television last night, was left almost to the very last moment with the final round of the election only a month away.

It is true that Mr Mitterrand's decision to stand again has become more and more ineluctable as time went on. His Socialist supporters have long been campaigning on the assumption that he would be their standard-bearer in the election and have replaced his physical presence at rallies with huge celluloid images. To have deserted this late hour not only would have been interpreted as a betrayal of the party's confidence, but would have deprived the only credible alternative Socialist candidate, Mr Michel Rocard, of any chance of victory.

Ideological credentials

Mr Mitterrand, no doubt, will put the emphasis more on his duty to the French people than his obligations to the Socialist Party or his own desire to prolong his career as head of state. Opinion polls show that the public's confidence in him is high and that he will easily win both the first and final rounds of the presidential election, which he has already indicated he will not contest. The French people have a reputation for choosing fatherly or avuncular figures as their heads of state, statesmen who can stand above the political fray and personify France, rather like the monarchy once did.

Mr Mitterrand certainly fits into that category. His ideological credentials as a Socialist have always been questionable and he has been instrumental in pushing the party in a more moderate direction since he became President in 1981. His political manoeuvres into full-scale national

Challenges for Indonesia

HALF OF Indonesia's Cabinet was replaced this week at the start of President Suharto's fifth and probably final five-year term. But there is not a lot in the reshuffle to suggest that a much needed breath of fresh liberal air is about to sweep through South East Asia's largest and most populous nation. This failure is the more disappointing because earlier this month Indonesia's political elite had a close brush with democratic procedures when a genuine vote for the vice presidency was held. Instead, the incumbent candidate backed off and a contest was avoided, but only after a senior official had made it clear that the military did not like open contests for such an important position.

The intrinsic steadfastness of the military behind President Suharto was again reconfirmed with this week's appointment of General Benny Murdani, former head of the armed forces and of intelligence, as Defence Minister together with that of another senior military commander to the key interior ministry. On the other hand it would be unwise to dismiss the earlier incidents at the People's Consultative Assembly as irrelevant. In spite of the stage-managed supremacy of the present regime, there are plenty of rumblings below the surface in Indonesia.

Mass of regulations

It needs more help from a freer and more competitive environment with faster dismantling of the plethora of regulations, protectionist tariffs, lumbering public corporations and monopoly import concessions. The fact is that Indonesia is the only Asian member of the Organisation of Petroleum Exporting Countries, has a per capita income below that of the Philippines. The most important of President Suharto's achievements has been to create a stable, multi-ethnic nation in spite of the difficulties of administering a country strewn across more than 13,000 islands. Against the worldwide trend, the attractions of Islamic fundamentalism, admittedly never strong in the world's largest Moslem nation, have not taken great hold. If President Suharto can use his military backing to help him begin a gentle shift towards greater personal, political and economic freedom rather than as a force against change, his legacy to the nation will be all the more valuable.

In recent years there have been growing signs of disaffection with the austere rule of President Suharto. More than two decades of power have failed to produce substantial increases in prosperity, largely because oil revenues were persistently squandered on government waste and on subsidising moribund public industries. The President once made a

Peter Montagnon examines relations between the EC and Efta in the run-up to 1992 and the deadline for creation of the European Community's single market

Piece by piece the jigsaw grows

A new sense of realism is emerging in relations between the European Free Trade Association and the European Community as the 1992 deadline for establishing the EC internal market approaches.

The six Efta countries - Austria, Finland, Iceland, Norway, Sweden and Switzerland - have been clamouring for inclusion in the internal market which they fear could throw up new barriers to outsiders. Although they are generally reluctant to contemplate the implications for labour-market mobility and fiscal harmonisation that full adhesion to the internal market requires, they are still looking at ways of edging closer to the Community in the run-up to 1992.

Slowly, however, both sides have come to recognise the efforts required to achieve their aim, first enunciated at a joint meeting in Luxembourg in 1984 of creating a dynamic European economic market of 350m consumers embracing the members of both organisations. It will involve a long, hard slog and painful attention to detail that goes far beyond bland expressions of political goodwill.

The new mood was summed up by a remark from Mr Willy de Clercq, the EC trade commissioner, to Efta trade ministers last month: "Let us recognise that there is a difference between the European economic space and the conditions of the EC's internal market within their own economies. In practice it has created a long list of problems which are only now becoming apparent. Some frustrated Efta officials are inclined to detect a new hard line on the part of the Community, Mr Per Klappe, Efta's Norwegian Secretary-General, takes a more moderate attitude, but even he admits that "the EC has now become aware of a lot of problems which it wasn't aware of before."

In principle the EC is firmly committed to the development of close relations with Efta, but it has three long-established principles to guide this process as far as the internal market is concerned. Priority must be given to establishing the internal market within the Community itself. Co-operation must not jeopardise the EC's own autonomy. There must be a balance of advantages and obligations.

One basic EC fear is that the administrative work involved in checking the alignment of the six Efta countries to the framework of the internal market would be enormous, almost equivalent to an accession negotiation. It is hard to see how the EC could divert sufficient resources to this and still maintain its own internal market.

Then comes the question of EC autonomy. Does agreement to close Efta relations as compatible with the internal market rules mean that the EC is no longer free unilaterally to develop new rules for itself at a later date? The 13-year-old negotiation with Switzerland on reciprocal rights of establishment for non-life insurance companies illustrates this point. EC ministers are talking at an agreement which would allow reciprocal establishment provided Swiss law is harmonised with the relevant European Commission directive. They are worried that future changes

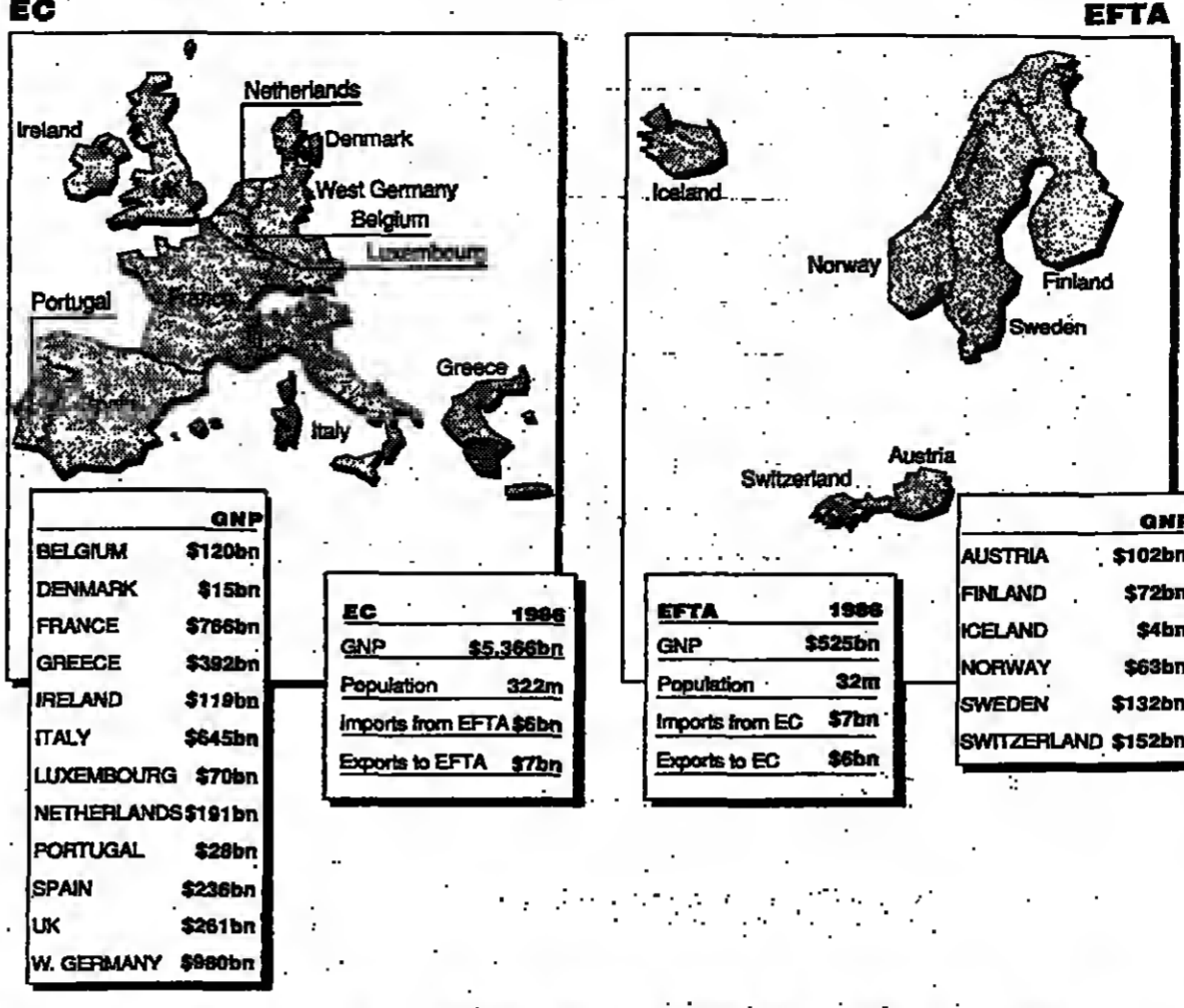


Table with 2 columns: Country, GNP. Rows: Belgium (\$120bn), Denmark (\$15bn), France (\$766bn), Greece (\$382bn), Ireland (\$119bn), Italy (\$645bn), Luxembourg (\$70bn), Netherlands (\$191bn), Portugal (\$28bn), Spain (\$236bn), UK (\$261bn), W. Germany (\$990bn).

Table with 2 columns: EC 1986, EFTA 1986. Rows: GNP (\$5,366bn vs \$525bn), Population (322m vs 32m), Imports from EFTA (\$6bn vs \$7bn), Exports to EFTA (\$7bn vs \$6bn).

to Community regulations might not be possible without consulting Switzerland. The greatest difficulties, however, surround the aim of securing a balance of advantages and obligations. At one level this is about reciprocal enforcement of legal obligations in matters such as subsidies and commitment to open government procurement. The EC has its own institutions, such as the European Court for dealing with infringements, but no equivalent institutions exist in Efta. At another level it is about the fear of some EC members that unilateral Efta access to EC markets would give its members a commercial advantage.

Spain, with the UK and Greece, is one of only three Community states which run a deficit in their trade with Efta. Preoccupied as it is with its own adjustment to EC membership, Madrid argues that Efta should pay a price for participation in the internal market, for example in the form of more generous regional assistance that might be made available in a broader internal market context. Even this, however, raises difficulties. Could the EC accept a situation in which Efta was pumping money into its members' economies while leaving it no say in the way that money was spent? Could Efta relinquish control over the way in which its money was spent? Should its assistance be given in other ways, for example through increased rights for Spanish fishermen

in Norwegian waters in exchange for access to the Spanish market for Norwegian industrial products? Underlying this debate is a fundamental difference of approach that goes back to a basic divergence between the two organisations. While Efta has never been anything more than a free trade organisation without a central decision-making body, the EC has always aspired to something greater at a political level. Such a political aspiration towards unity is an integral part of its internal market concept. "You can't have freedom of competition within the Community if, at the same time, you don't have harmonisation of regional, economic, social and industrial policy as well as environmental policy," says one Brussels official. Yet, as outsiders, Efta countries cannot expect to have a say in the formulation of such policies. As sovereign states, it is hard for them simply to rubber stamp decisions made elsewhere for the sake of a chance to participate economically in a unified internal European market. One Austrian diplomat ruefully remarks that the loss of sovereignty facing Efta states who try to tag along with the EC is greater than the benefits that the implicit loss of sovereignty in joining the EC, which would at least give them a say in the decision-making process. Yet only in Austria and Norway has the possibility of actual application to join the EC been considered. For Switzerland and Finland membership as a national policy remains the greatest stumbling bloc. Finland has to consider its proximity to the Soviet Union, Switzerland the internal counterpart to its external neutrality - a constitution which provides for political decisions to

be taken by referendum and grants considerable autonomy to cantons. Sweden, too, has its neutrality to consider, but even leading businessmen and industrialists who would like to see it join the EC admit to other awkward issues. As an EC member, Sweden would have less control over domestic policy and face the possibility of outside interference in matters like taxation, capital controls and labour mobility which could upset its cherished welfare state.

Norway has no neutrality problem but, despite its dalliance with the idea of EC membership, it is still haunted by the 1972 referendum which came only narrowly against. Last month Mrs Gro Harlem Brundtland, the Prime Minister, said the question of membership would not become an issue before the next election at the earliest. Foreign Ministry officials say Norway will continue to work through Efta to bring about a closer relationship. The Austrian diplomat who, by contrast, stated that it wants to keep the option of membership open provided it can be squared with its own commitment to liberalise its markets and introduce greater competition.

The economic pressures are growing. Finland is worried whether its unsubsidised shipyards can compete with their subsidised EC counterparts. Iceland and Norway are worried about fisheries. Norway is also anxious about the energy market and shipping.

Additional reporting by Will Dullforce in Geneva, Judy Dempsey in Vienna, Sara Webb in Stockholm and Karen Fosell in Oslo.

Yamani's raid on Harrods

late last week Harrods's books department received a telephone order for 400 copies of Yamani: The Inside Story, a biography and portrait of the former Saudi oil minister. A subsequent call reduced the number to 150, but none has been collected, according to Harrods which adds that the store had been on the verge of asking publishers Simon and Schuster for more. Forthcoming publication was of sufficient interest, not to mention a more rigorous approach to corruption. But the rising burden of external debt, which has almost doubled to \$40bn (£21.9bn) in the last five years, and the concomitant rise in the debt servicing ratio from 12 per cent to nearly 30 per cent over the same period, means the economy will be struggling for some time.

Yorkshire curry

Bradford Council has been so successful with its campaign to promote Asian cuisine that it has ordered a reprint of its Flavours of Asia booklet which has sold out its first issue. The Bradford curry has

OBSERVER

Geoffrey Dickinson's cartoons have not been appearing in the Observer column recently as often as we - or he - would have liked. He had been ill for some time and died yesterday at the age of 55. He was much more than a fine cartoonist. Everything that he drew was a story in itself, and he paid as much attention to the caption as to the drawing. He never needed to be guided; indeed few of us would have dared to try for he seemed to know everything intuitively. In conversation he was both shy and shrewd and could be wonderfully amusing. Everyone in the office loved him. His training was formal and showed in his work. He painted as well as drew. After 15 years at Punch, where he out-cartooned almost everyone, he became the resident cartoonist of the old Men and Matters column of the Financial Times in 1964. We mourn our loss and reprint one of his recent contributions alongside.

Giacco goes home

Alexander Giacco, grey-haired 66-year-old veteran of the American chemicals industry, was yesterday in high spirits as he was named deputy chairman and managing director of Montedison's chemicals holdings. Giacco, who built up the Hercules chemicals group in the US, stressed that he was interested in return on capital above all else. He said that Hercules, while ranking only seventh in the US chemicals league, had the highest profitability in the industry. "I will spend the bulk of my time here in Milan, but I want to keep busy in New York as well," he went on. Sir John Harvey Jones, former ICI chairman is a "dear old friend." "I have known him for many years. I remember when we (Hercules) launched the

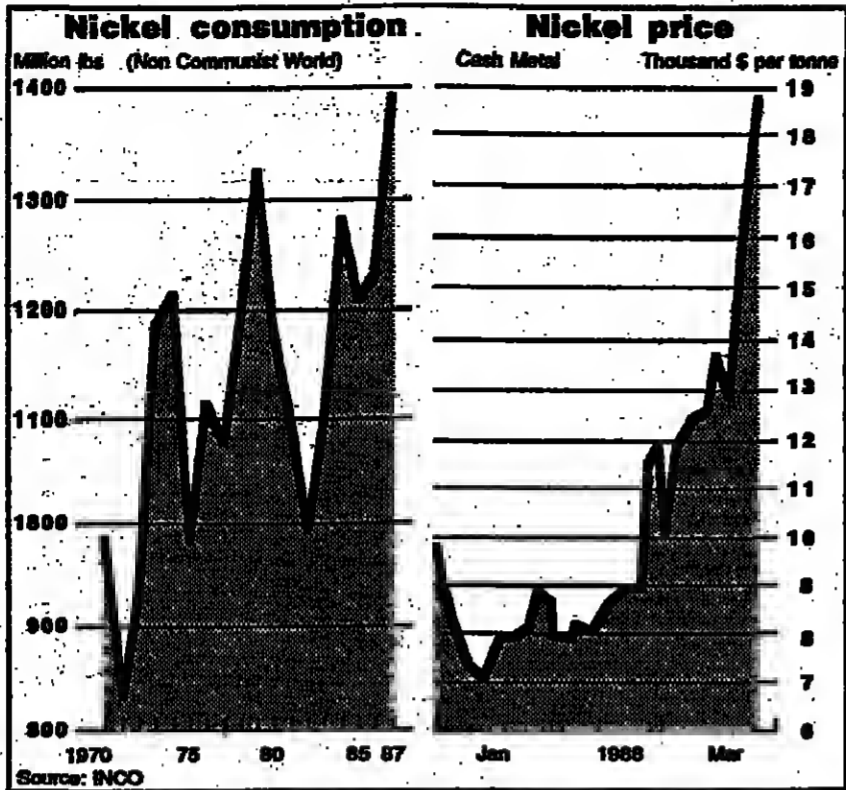
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A MOWLEM ENTERPRISE

IN THE LAST quarter of 1987, nickel for immediate delivery changed hands for \$1.87 a lb. Yesterday, the price touched \$2.57 a lb, well above the free market peak of \$7.40 reached in 1969...

Kenneth Gooding looks behind the recent surge in the price of nickel



All base metal prices have risen strongly in the past six months but there is no doubt that nickel has emerged as the star performer...

The metal has been in such extremely short supply that last month the London Metal Exchange was forced to suspend trading in nickel...

As Neil Burston, an analyst with Shearson Lehman Brothers' London Metals Research Unit says: 'If consumption continues to grow then it is difficult to see where the metal will come from to satisfy the demand...

The gyrations in the nickel market can be traced to the excess of its major consumer, the stainless steel industry...

By the middle of 1987 it was becoming clear that the forecasters had underestimated the ability of the Japanese to stimulate domestic demand...

Although the nickel industry became wise to the new market conditions, in September and October last year, crashing stock markets then continued the issue...

At the beginning of last year industry forecasters expected nickel demand to remain at about the same level as the 550,000 tonnes for 1986...

True enough, though he might have added that their existence does the same for British manufacturers...

Degrees of dependence

From Mrs Ann Morgan.

Sir, Dr Alan McKinnon claims (Letters, March 14) that 'the mere existence of large multiples enables foreign manufacturers to gain extensive market coverage...

There is little evidence to suggest that large-scale retailing has raised the level of import penetration...

Indirect evidence suggests that the independent retailers deal in imported goods as much as their larger competitors...

Ann D. Morgan, National Institute of Economic and Social Research, 2 Dean Trench Street, Smith Square, SW1

Government has encouraged business to develop contacts with education

From Mrs Angela Rumbold. Sir, in a letter published on March 10, Mr Duncan Heenan said that the Government had failed to inform employers about the new GCSE...

Quite the contrary, the Department of Education has conducted an important campaign over the last year to inform employers about GCSE...

Richard Carter, Sir, With respect to Mr Heenan (March 10) the Government has produced and made available free of charge a video 'That's GCSE'...

A crisis caused by consumers

By the middle of 1987 it was becoming clear that the forecasters had underestimated the ability of the Japanese to stimulate domestic demand...

Although the nickel industry became wise to the new market conditions, in September and October last year, crashing stock markets then continued the issue...

At the beginning of last year industry forecasters expected nickel demand to remain at about the same level as the 550,000 tonnes for 1986...

ate delivery sent cash prices up to \$7.41 a lb, nearly twice the price for metal to be delivered three months ahead.

The LME's board suspended nickel trading for the rest of the day while an attempt was made to bring order back to the market...

The major influence today is a dispute between Palombrone, another Canadian producer, and the government of the Dominican Republic...

Traders can scarcely bear to contemplate what might happen if wage negotiations at the Canadian nickel producers do not go well when they begin in May.

The LME's current situation implies that there is virtually no nickel left in the free world's stocks...

However, although the stainless steel producers do not use the LME directly to any great extent, the price for nickel of any sort is linked strongly to the LME's going rate.

The high price is already forcing stainless steel producers to impose surcharges. Nickel accounts for about 8 per cent of stainless steel by weight...

Producers feel there is no evidence that any major increases in capacity are needed. A new nickel plant costs \$300m to \$400m...

Soma analysts suggest non-Socialist world output could be boosted to about 550,000 tonnes if there are no big interruptions to supply...

The sudden change in nickel's fortunes comes after eight years of absolute misery for the industry...

They are concerned because the manoeuvres in recent weeks might have left the impression that nickel is a volatile commodity subject to violent price swings...

But this is a crisis caused by the consumer cutting back (their) production.

Foreign exchange intervention

The cost to the taxpayer

By Roger Bootle

EARLY in January, the West German government announced that it was planning to cut spending and raise taxes in 1989...

The official figures are not much help. The various components of the reserves are assessed at the same fixed dollar price during the year...

The numbers are not small. During the course of 1987 the reserves increased from \$22bn to \$44bn...

Between December 1986 and December 1987 the UK pound rose against the US dollar by 27 per cent...

Suppose that the intervention is later reversed at an exchange rate 10 per cent higher so that the authorities realise a 10 per cent capital loss...

however, to see the accumulation of \$22bn (most of it in convertible currencies) producing a loss much below £1bn...

But does it matter? In what sense can the taxpayer be said to be worse off as a result of capital losses on the foreign exchange reserves?

Whether this finance comes from the banks (via bill sales) or from the non-bank public (via gilt sales) is immaterial.

Although it may be difficult to locate the effects in the public accounts, the losses which can be incurred from official intervention are real enough...

The author is Economic Adviser to Lloyd's Merchant Bank

Letters to the Editor

Mercury must not pick cherries

From Mr P.B. Mitford-Slade.

Sir, Your report on Mercury Communications (March 17) praised Mercury for its decision to encourage British Telecom...

While your praise on the first is warranted, at least in that it encourages British Telecom (BT) to do the same...

A rise from £125 to between £1,200 and £2,400 for the installation of new leased circuits indicates that Mercury has no further intention...

Sweet are the uses of adversity

From Mr Robin Rowe.

Sir, I note with sadness that Mr Lawson, the Chancellor, intends to amend the definition of standard rated confectionery...

I have derived much amusement from the antics of some of the finest minds in the country...

The imposition of 15 per cent VAT has rested on such matters as whether a cereal bar is, or is not, a sweet.

Such a matter of national importance has also, of course, raised questions in the House. On January 27 1988 the Chancellor was asked to explain the difference in VAT treatment between a Jaffa cake and a cereal bar.

I am hoping for some exciting future arguments about the definition of children's furkin clothing (the only type of children's clothing that is standard rated for VAT purposes).

This definition includes, inter alia: 'the skin, if neither tanned nor dressed, of cattle (including buffalo) equine animals, goats or kids (other than Yemen, Mongolian and Tibetan goats or kids), swine (including peccary), camels, gazelles, deer or dogs.'

Robin Rowe, 4 Queens Road, Ighite, Surrey

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SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Wednesday March 23 1988



Thwaites

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American Stores in \$45 a share takeover bid for Lucky chain

BY RODERICK ORAM IN NEW YORK

AMERICAN STORES, the third largest US grocery and drug retailer, has made a \$45 a share cash takeover bid for Lucky Stores, which values the California-based supermarket chain at about \$1.75bn.

Lucky, which fought off a takeover move by Mr Asher Edelman, the New York raider, in late 1986, saw its shares leap by 14% to \$46 in heavy early trading yesterday.

Lucky pointed out that voting power is limited for any of its shareholders with more than a 10 per cent stake.

Any shares over the threshold have only one-hundredth of a vote. The provision expires on December 22 and cannot be waived by management in the meantime.

Lucky's stock has been underperforming the market in recent months, and investor scepticism about its ability to maintain its good margins following the Edelman bid. To retain its independence, Lucky undertook a big restructuring to focus more attention on its supermarket business.

The move brought an immediate improvement in its core activities. For the year to January 31, Lucky reported net profits from continuing operations of \$119.4m, or \$3.09 a share, against \$42.7m, or 97 cents a share, earlier. Sales rose to \$6.92bn from \$6.44bn.

Lucky's 480 supermarkets make up the sixth largest chain in the US concentrated in California but with many other locations in the southwest and Florida. It has begun a \$600m, two-year programme to expand selling space by 15 per cent.

A takeover would be a good geographic and operational fit for American, said Ms Susan Schmitter of Prudential-Bache. It would help both companies achieve, for example, their ambition to dominate the California market and help American push into Florida.

American's offer of \$45 a share "is a very good price," she added. If a friendly deal could be achieved, Lucky's management could probably benefit from working within the larger American organisation.

Salt Lake City-based American has grown rapidly through takeovers, pushing up sales 14 fold in the past decade. For the year to January 30 it reported net profits of \$154.2m, or \$4.19 a share, on sales of \$14.27bn, against \$144.5m, or \$3.79, on \$14.02bn a year earlier.

Accounting changes boost UK insurer

By Nick Barker in London

PRUDENTIAL Corporation, the biggest UK-based insurer, has broken ranks with its peer companies by announcing a big accounting policy change which has added \$26m (\$40m) to last year's pre-tax profits.

The key element of the move is that Prudential will follow the Eagle Star's footsteps by taking credit in its profit-and-loss account for investment gains in its non-life insurance funds. If other insurers made similar accounting changes, they could greatly increase their reported profits.

In its 1987 annual results, published yesterday, Prudential said that from now on it would include realised and unrealised capital gains in the trading results for its non-life operations, which had \$360m of premium income last year. The unrealised capital appreciation would be calculated by using a moving average of investment gains over five years. At the group pre-tax profit level, Prudential would include only the realised gains.

Mr Michael Lawrence, Prudential's group finance director, said the move would "assess how we believe it is proper to account for an insurance company," when the European Community is debating moves to harmonise insurance accounting.

His move also reflects a general feeling, among some of Britain's biggest insurers that current accounting methods underestimate the profitability of non-life insurance, contributing to its low rating by stock market investors.

The Prudential's policy change means that for 1987 its reported pre-tax profits rose from \$284.5m to \$342.4m. If the accounting policy had stayed the same the increase would have been from \$178m to \$206m.

Law, Page 24

Louise Kehoe in San Francisco examines the implications of a US software court case

Apple copyright suit casts a long shadow

WITH THE filing last week of a copyright infringement suit against Hewlett-Packard and Microsoft, Apple Computer has sparked a firestorm of controversy which threatens to engulf the personal computer industry.

At issue is whether Apple can lay exclusive claim to the "look and feel" of its Macintosh personal computer. Apple charges that Microsoft's Windows and HP's NewWave programs infringe copyrights on Apple's Macintosh programs because the HP/Microsoft combination's screen displays closely resemble those of the Macintosh.

Microsoft is by far the largest developer of applications software for the Macintosh and has been credited with boosting Macintosh's entry into the corporate computing market with such programs as Word, a word processing program, and Excel, a spreadsheet program.

Apple, headed by Mr John Sculley, claims it has spent "millions of dollars and years of creative effort in developing artistic, aesthetically pleasing visual displays and graphic images that enhance the value and commercial appeal of Apple's products."

However, the implications of the claim may be far more wide reaching than the images on a computer display. Indeed, some observers say the outcome of the legal battle could shape the future of the entire personal computer industry.

Although Apple's suit aims at HP and Microsoft as the publishers of computer programs that look like the Macintosh, its real purpose, say industry observers, is to try to maintain a competitive advantage over such rival International Business Machines and makers of IBM-compatible computers.

Mr Richard Shaffer, editor of the Computer Letter, a respected industry newsletter, notes: "Microsoft's Windows is the cornerstone of IBM's future software strategy." IBM is working with Microsoft to develop a version of Windows called Presentation Manager, for use on IBM's new range of personal computers, the Personal System/2, he explains.

"The combination of Microsoft's Windows and HP's NewWave makes all IBM-compatible personal computers look very much like a Macintosh. When a customer cannot tell, by looking at a computer screen, whether it is made by Apple or IBM, then Apple is at a disadvantage," Mr Shaffer said.

The impact of Apple's suit may even reach beyond the bounds of the personal computer industry. Among the computer companies that may be forced to consider Apple's "warning" is Sun Microsystems, the leading US maker of high performance computer workstations.

Like Hewlett-Packard, Sun recently approached Apple requesting a licence to use the Macintosh displays. Both companies were rebuffed by Apple. Sun claims it has independently developed a graphical interface that is "better than Macintosh" for its computer workstations.

To date, Apple is believed to have licensed only the developers of application programs for the Macintosh to use its display designs. According to Apple's suit, Microsoft was granted a "limited licence." Apple claims, however, that the latest version of Windows violates that licensing agreement.

By refusing to license its technology and now by filing suit against companies developing similar displays, Apple is impeding progress in personal computer technology development, critics say.



Mr John Sculley, Leading Apple into the legal fray

Hewlett-Packard said: "In our view, the issue of 'visual display and images' as described in Apple's complaint, is not the central issue. The issue is innovation." It claims that its NewWave poses a technical challenge to Apple.

Some in the computer industry agree with HP's stand. Mr Andy Hertzfeld, one of the original members of the Macintosh software development team at Apple, said: "It seems a shame to me basically to impede the progress of the rest of the industry."

For Apple, long regarded as the pioneering innovator of the personal computer industry, such criticism is particularly hurtful. Apple appears to be casting itself in a new and unpopular role.

While much of the computer industry is moving toward "open" standards allowing all sorts of computers to share the same software, Apple is sticking rigidly to its proprietary systems.

Playing the "tough guys" may hurt Apple's vaunted image, but falling out with Microsoft could have more immediate and tangible consequences. So far, Microsoft has had little to say about the suit except that "after carefully reviewing the licensing agreement with Apple the company is convinced that no violation has occurred."

A still greater risk facing Apple in this litigation is the possibility that it may lose. In the personal computer software industry the law has not kept up with the pace of technology changes.

There is, therefore, little legal precedent for Apple's claims. Although other personal computer publishers have taken the issue of "look and feel," or the appearance of computer screen displays, to the courts, no definitive ruling has emerged.

Last year Lotus Development sued makers of "clones" of the spreadsheet program Lotus 1-2-3, but the case has still to be resolved.

The outcome of the Apple suit, if it goes to judgment, could therefore provide an important legal precedent for software publishers by defining their property rights. Given the large number of very similar personal computer programs already published, however, it seems inevitable that if Apple prevails, a storm of litigation would follow.

Whatever the consequences, Apple is determined vigorously to protect what it calls its "crown jewels." Mr Delbert Yocam, Apple's chief operating officer, says: "Macintosh's audio visual display has been largely responsible for the substantial commercial success of the product."

Still, in an industry that has thrived upon imitation, it is difficult for Apple to find much sympathy for its complaint. In spite of growing concern about copyright issues, many in the industry view Apple's attempts to protect past accomplishments as a sign of weakness.

Buitoni rejects French bid

BY ALAN FRIEDMAN IN MILAN

MR CARLO De Benedetti, the Italian businessman, last night rejected the bid by St Louis, the French sugar group, to acquire the French subsidiary of his Buitoni pasta and chocolates group.

Mr De Benedetti sold the Buitoni assets to Nestlé of Switzerland last Friday.

After a four-hour meeting in Geneva between Nestlé executives and De Benedetti aides, a joint announcement by the Italian and Swiss companies acknowledged that Buitoni had received a conditional letter of offer from St Louis. This offer, which arrived after the conclusion of the agreement between Nestlé and Buitoni, is meaningless, the communique stated.

Nestlé and Buitoni pledged last night to "respect the global agreements" signed last week. Under the deal, Nestlé agreed to pay the equivalent of \$1.44bn for the assets of Buitoni's listed companies on the Milan and Paris bourses.

Final act for Texaco drama

BY JAMES BUCHAN IN NEW YORK

THE LAST ACT of Texaco's long corporate drama opened yesterday in a crowded suburban New York hotel as a federal judge began hearing final arguments on a \$5.6bn plan to pay off creditors and lead the big US oil company out of bankruptcy.

Judge Howard Schwartzberg, who has presided over the case since Texaco took refuge a year ago from the largest damages award in history by filing under Chapter 11, started the hearings to confirm the plan as two more obstacles to Texaco's reorganisation fell away.

Texaco said its stockholders had voted overwhelmingly to support the plan - to force a partial dismemberment of their company to finance the huge transfer of wealth to creditors - and payments of over \$2bn later on to the Federal Government, tax authorities and lawyers.

The main creditor is Pennzoil of Houston, which is receiving \$3bn in return for not enforcing the \$10.5bn damages it won after convincing a jury that Texaco stole Getty Oil from a deal it had in 1984.

Meanwhile, a group of lawyers threatening to hold up the plan because it frees Texaco's directors and advisers of all past and future liability over the Getty Oil debacle, have promised to drop their struggle if they can win up to \$10m in legal fees from the court.

Kawai expansion in US

BY ALICE RAWSTHORN IN LONDON

KAWAI, THE Japanese group which is one of the largest manufacturers of musical instruments in the world, has established a production base in the US by buying Lowry Industries, a leading name in electronic organs, for an undisclosed sum.

Lowry, which is based in Illinois, suspended production late last year because of dwindling demand for electronic organs in the US and the pressure imposed by imports from Japan.

As a result of Kawai's involvement the Lowry plant, which employs 200 people and mustered a turnover of \$25m in 1987, should resume production within the next two or three months. It will continue to manufacture organs under its own brand but will also produce other electronic instruments.

Since the 1970s Japanese manufacturers like Yamaha and Kawai have dominated the world market.


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MORGAN STANLEY INTERNATIONAL

January, 1988

INTERNATIONAL COMPANIES AND FINANCE

Wong Sulong on the effects of a reversal in Malaysian policy

Danes cash in on NEP volte-face



Dato Berge Bek-Nielsen: enthusiastic on prospects

IT HAS been a full circle, and a profitable one, for a Danish consortium of tropical agricultural investors who have just won the right to develop a 25,000-acre palm oil plantation in Malaysia.

The opportunity for the Danish investors to make a comeback emerged in October 1986 when the Malaysian government amended its laws to allow foreigners to own land again. Within a month they were in touch with Gula Perak, a listed company which had been in receivership for the past 10 years.

Its main asset was 25,700 acres of land which it obtained from the Perak state government in 1988 specifically for sugar cultivation. The project failed because the soil was not suitable for the crop. Many Malaysian and European groups were vying for the land but the Danish consortium beat them to it.

"I think we put forward the best possible package that is beneficial to all parties concerned," said Mr John Goodwin, the English merchant banker, who was involved in the sale of UP, and who subsequently joined the Danish consortium as their financial director.

Under the deal, finally agreed last week, the Danish investors sold 22% ringgit to Gula Perak for the land. Gula Perak plans to use the money to pay off its creditors as well as to buy some mature palm oil estates. It will then apply to the Kuala Lumpur Stock Exchange for relisting of

According to Dato Bek-Nielsen, "When we sold UP, we set up United International Enterprises to reinvest in tropical agriculture elsewhere. We tried Nigeria, Thailand, the Philippines and Australia, but we found Malaysia still offered the best deal."

He is enthusiastic about the prospects. The Gula Perak land is a single block lying near the coast, facing the Malacca Straits. It offers enormous economies of scale. The area is one of Malaysia's largest palm oil regions, and offers potential for UIE (Malaysia) to become involved in banking, refining and oleochemical plants.

Moreover, the Danish investors have also gained considerably from currency exchange. When they sold UP, the Malaysian ringgit was worth DR160. Their receipts to Malaysia came at only DR22.50 to the ringgit.

Apart from their Malaysian investments, the Danish consortium has considerable agri-industrial interests in other parts of the world. Through UIE and International Plantations and Finance, their Copenhagen listed vehicles, they control Aarhus Olefabrik, Denmark's largest vegetable oil and specialty fats processor, as well as Anglia Oils, a UK vegetable refiner.

They also own cattle and citrus farms in Africa and a 40,000 acre wheat farm in Queensland, Australia.

Another boardroom shake-up at Wormald

By Chris Sherwell in Sydney

ANOTHER shake-up in the boardroom at Wormald International, the Australian-based fire protection and security company, has added to the uncertainty hanging over the group's future.

An announcement yesterday said that Bell Corporation, an investment group, had dropped its proposed management arrangement and share option deal with Wormald under which its stake in the group would have risen from 17 per cent to around 31 per cent over five years if agreed profit targets were met.

Mr Phillip Cave, the Bell chief who has been executive chairman of Wormald since January, will now become the group's non-executive chairman. Mr Bob Mansfield, another Bell figure, will remain a director but, as Wormald's chief executive, is to report to the board as a company employee. He will also cease to have any executive responsibility at Bell.

At the same time, Mr John Hife, a director of the AWA electronics group and former executive director of Pioneer Concrete, joins the board as deputy chairman with the support of the group's major institutional shareholders.

The shake-up follows the rejection of the AMP Society, the biggest institutional shareholder, of the Bell proposal, which was to be considered at a shareholders' meeting today.

Other key institutional shareholders were also strongly opposed to the plan and started action through the courts to have the meeting postponed or cancelled.

Yesterday's move also follows publication on Monday of Wormald's half-year results, which showed the group plunging to an attributable loss of A\$94.2m (US\$46.4m) for the six months to December after a profit of A\$12.4m in the same period in 1987. Sales improved 14 per cent to A\$558.2m.

Earlier this month, Tyco Laboratories of the US, one of Wormald's competitors, made a similar proposal to Bell for a five-year management agreement with Wormald. It also offered to buy 10m shares in Wormald for around A\$10m.

This plan will now come under more detailed scrutiny but Wormald is now more vulnerable to possible takeover by an outside bidder.

Wormald's last boardroom shake-up two months ago saw the departure of Mr Lee Ming Tee, the Malaysian-born businessman, as chairman and director, along with two associates.

Mr Lee had won control of Wormald two years earlier through a bid launched by his Sunshine group which left him with a 36 per cent stake.

Bell stepped in last October after Mr Lee's proposed restructuring of Wormald ran aground. But then Bell's own takeover plans hit trouble because of the stock market crash.

Wellington SE suspends share listing in Judge

By Dai Hayward in Wellington

JUDGE CORPORATION, just a few months ago one of the high-flyers of the New Zealand stock market, yesterday had its share listing suspended because it has not met an exchange requirement to disclose the effects of the October stock market crash.

It was one of half a dozen companies which failed to comply with a general request by the authority. Judge was twice given an extension after the February 29 deadline but when it still failed to produce a report by yesterday, the stock exchange suspended the company.

Mr Roger Gill, a Wellington Stock Exchange director, said: "Judge Corp was working on a matter which needed resolution before it could provide a meaningful balance sheet. Therefore they were given two extensions of time but when they still did not provide a balance sheet the exchange decided to suspend them."

Meanwhile, in Brisbane, Mr Bruce Judge has resigned from the board of Ariadne Australia, another of the companies he built up. He was one of five Ariadne directors who resigned to be replaced by three nominees from

Mr Larry Adler's FAI Insurance, which now controls Ariadne.

One Financial Staff adviser, FAI gained 25.5 per cent of Ariadne when it underwrote a rights issue after the stock market collapse. On Monday, a consortium led by Bank of New Zealand and including Essington Developments of Australia and ESE Development of Japan acquired a further 18.9 per cent of Ariadne from Judge.

Ariadne, which has been shedding assets since October, retains interests in Australian property and industry and the US West Coast savings and loan business.

Mr Adler says the company will be "substantially restructured and reorganised."

Fletcher Challenge, New Zealand's biggest company, is negotiating the acquisition of a South American forest products producer in a deal valued at more than \$100m (US\$65m), Easter reports from Turin.

Mr Hugh Fletcher, chief executive, said during a visit to Canada that he expects a deal to be signed in the coming months. He would not disclose the name of the company with which Fletcher Challenge is negotiating or the country in which it operates.

Marui lifts earnings and dividend

By Our Financial Staff

MARUI, the Japanese stores chain, lifted parent company pre-tax profits by 14.5 per cent to ¥40.4m (\$318.2m) in the year to January, a rise it attributed to strong personal spending.

The company is unexpectedly lifting its annual dividend to ¥18 a share from ¥17, whereas only a maintained payout had been forecast.

Sales rose by 10.8 per cent to ¥444.1bn and a further advance to ¥470m is projected for the current year. Pre-tax earnings are forecast at ¥42.5bn.

For the group as a whole, net profits rose 15 per cent to ¥19.15bn, or ¥61.12 per share against ¥54.92, on turnover of ¥481bn against ¥415.9bn. On this consolidated basis Marui said sales of women's clothing, its biggest line, were up 14.7 per cent while those of men's apparel and sporting goods were 11 per cent higher. Household goods were up 8.4 per cent.

Rheem rejects Email

RHEEM AUSTRALIA, an appliance and packaging group, said yesterday a A\$887m (US\$286m) bid by Email was inadequate.

AP-IM reports from Sydney. Email is an Australian white goods maker 19.9 per cent owned by Electrolux of Sweden. Rheem directors said "a number of parties have expressed interest" in the company since Broken Hill Proprietary said in February it might sell its 61 per cent stake.

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Renault bounds back into profit

BY PAUL BETTS IN PARIS

RENAULT, THE French state motor group, yesterday announced a net profit of FF9.7bn (\$645.7m) for 1987, marking a return to the black after several years of huge losses.

In the three years to 1986 it ran up a combined deficit of FF29.2bn. In spite of the spectacular turnaround, which stems from a large restructuring of the group's traditional European car manufacturing operations, Mr Raymond Levy, chairman, emphasised the group still required a substantial recapitalisation.

He said this was essential, "otherwise everything we will have done will have been built on sand." The company was due to receive FF12bn in capital funds from the French Government as part of a reform of its legal status. But, faced by mounting controversy, the Government



Raymond Levy: group still needs recapitalisation, he said. Renault said that in spite of its

overall financial improvement, its level of borrowing remained excessive. Total debt declined from FF35.5bn to FF26.4bn last year while net financial charges totalled FF4.2bn, against FF5.5bn in 1986. In spite of the reduction, net financial charges remain significantly higher than those of Renault's main European competitors.

The group's 1987 net income of FF9.7bn was after industrial and commercial restructuring costs of FF2.6bn. The improvement was due "essentially" to its car operations, which made a pre-tax profit of FF2.5bn last year after losing FF4.2bn in 1986.

The truck side made a pre-tax profit of FF2.9bn last year. Sales totalled FF147.5bn compared with FF122.5bn. The 1986 figure took in the consolidation of a number of subsidiaries. On a comparable basis, Renault said, sales would have

grown by 9.3 per cent to FF124.9bn last year.

Production rose by 4.6 per cent to nearly 1.9m vehicles. Passenger cars accounted for nearly 78 per cent of group turnover while France accounted for nearly 49 per cent of total sales. Cost cutting, higher sales volumes and improved pricing policies also contributed to last year's financial recovery. Capital expenditure increased to FF7.7bn from FF5.8bn in 1986.

Renault's recovery strategy has involved large job cuts, the sale of assets - including Renault's interest in American Motors to Chrysler - and the reorganising of operations around traditional French and European car manufacturing activities.

Renault's workforce has been reduced from 239,905 to 189,936 over the past four years and further cuts - of about 6,000 - are planned for the current year.

US hospital groups lift revenues

BY JAMES BUCHAN IN NEW YORK

HUMANA, ONE of the largest US hospital management groups, yesterday reported an improvement in revenues and profits amid signs of a modest upturn in the depressed US hospital business.

In contrast, American Medical International yesterday reported an earnings slip as its hospitals struggle to contain costs in the face of government and private-sector efforts to cut health-care bills, although revenues were up. Humana, based in Louisville, Kentucky, said earnings for the second quarter ended February rose 28 per cent to \$58m or 55 cents a share, on a 17 per cent

advance in revenues to \$346.4m. The revenue improvement helps confirm industry hopes that occupancy rates will pick up this year for the first time since Washington cut health spending in 1983.

It is also the first sign that Humana's health insurance business, which suffered big losses because of unfavorable contracts in 1986, is succeeding in capturing patients for the hospitals.

American Medical, which derives the bulk of its business from California and Texas, said earnings fell from \$25m or 32 cents a share to \$24.1m or 30 cents in its second quarter ended

February. Revenues advanced 8.1 per cent to \$719.4m.

Latest earnings include a special gain of \$20.4m on the sale of 25 per cent of American Medical's UK hospital chain, offset by a \$20m provision against earnings for the sale of several hospitals.

But Mr Walker Weissman, chairman, said efforts to cut operating costs were paying off, with profits rising twice as fast as revenues between the first and second quarters of the current year.

He said: "Our concerted drive to control costs continues to ensure that the steady growth in revenues has a growing, positive impact on net income."

SAS to cut costs after weak result

By Sara Webb in Stockholm

SCANDINAVIAN Airlines System (SAS) yesterday reported weak profits for the final quarter of last year and said it was implementing a cost-cutting programme to improve the airline's profitability.

There is to be a reduction of administrative personnel, with no further increases in the number of staff working on the airlines. Staffing numbers have risen by between 800 and 1,000 annually, to about 20,000, in recent years.

The group is considering the sale of fringe activities - it recently agreed to sell its door-to-door parcel delivery service to TNT of Australia - and said it aimed to improve the profitability of its cargo operations.

By enforcing strict cost-cutting measures, SAS hopes that full-year profits, before extraordinary items, for 1987 will reach SKr1.7bn (\$224.7m).

SAS is in the process of a move toward reporting profits for the calendar year, instead of October-September figures. For the period October 1986 to December 1987, the group showed profits of SKr2.6bn, only marginally up on the October 1985 to September 1987 figure of SKr1.66bn.

Although the group does not release quarterly figures, it admitted the final quarter of 1987 was very weak. It said profit growth from the airline had been held in check by fuel costs and government restrictions on air fare increases.

Profits from the airline started to drop in the second half of the 1986-87 period, but SAS said the decline was leveling off.

The group's hotel operations were hit by heavy investments in new projects during late 1987, resulting from plans to expand overseas.

This division showed profits of SKr63m from October 1986 to December 1987, after posting profits of SKr73m in the year 1986-87.

Lindt and Spruengli sees further increases. LINDT AND Spruengli, the Swiss chocolates maker, expects a further rise in turnover and earnings in 1988 in spite of the heavy dependence on foreign sales and the strength of the Swiss franc, Our Financial Star writes.

Last year, net earnings climbed to SFr12m (\$8.6m) from SFr6.4m.

Strong gains at Lyonnaise des Eaux

BY OUR PARIS STAFF

LYONNAISE des Eaux, the diversified French private water distribution group, yesterday reported a sharp increase in profits and unveiled plans to raise FF1.2bn (\$209.4m) to help finance investments.

Group turnover for 1987 rose from FF15.7bn to FF16.9bn and earnings, excluding minority interests, shot up by 19 per cent to FF1.4bn.

The utility is to raise the FF1.2bn through the issue of a convertible bond. It points out that group investments last year totalled

nearly FF5bn. Lyonnaise des Eaux recently acquired a 2 per cent stake in Club Méditerranée, a stake in the privatised Havas advertising and media group, and a stake of just under 2 per cent in Société Générale de Belgique.

The group, which has sided with the Franco-Belgian group in the battle for La Générale, said it had paid slightly less than FF300m for its stake in the Belgian company with which it has joint operations in the cable television and water sectors. Apart from its traditional

water activities, Lyonnaise des Eaux has sought to expand its operations in a variety of service sectors ranging from television, retired people's homes, leisure activities - including the development of golf courses and centres in France and funeral businesses in France, the UK and Singapore.

Mr Jérôme Monod, chairman, said foreign markets accounted for 25 per cent of the group turnover and a third of group profits. Including minority interests, profits totalled FF1570m last year, against FF531m.

Huhtamaki rights to raise FM234m

BY OLLI VIRTANEN IN HELSINKI

HUHTAMAKI, THE Finnish food, pharmaceutical and packaging industry group, plans to raise FM234m (\$68m) through a one-for-five rights issue. A one-for-10 scrip issue is also planned. The rights offer is priced at

FM90 for K shares and FM50 for I shares. The prices are about 60 per cent lower than those on the Helsinki bourse.

According to Mr Asko Tarikka, the group's chief executive, the proceeds will be used to

strengthen Huhtamaki's capital structure and facilitate possible acquisitions. Last year Huhtamaki increased profits, after financial items, by 31 per cent to FM196m on sales totalling FM4.89bn.

Sirti income climbs 67%

By Alan Friedman in Milan

SIRTI, THE Italian state-controlled telecommunications installation and maintenance company, has reported a 67 per cent jump in net profits to 1,177.5bn (\$122m) for 1987.

The Milan-based company, which floated 40 per cent of its shares on the local stock market in 1985, said the improvement came from a 25 per cent increase in productivity during 1987 and from fiscal benefits. Turnover reached 1,600bn, up 19 per cent on 1986.

Sirti, which is proposing a 1,400 a share dividend, plans a one-for-three scrip issue.

Lindt and Spruengli sees further increases


LINDT AND Spruengli, the Swiss chocolates maker, expects a further rise in turnover and earnings in 1988 in spite of the heavy dependence on foreign sales and the strength of the Swiss franc, Our Financial Star writes.

Last year, net earnings climbed to SFr12m (\$8.6m) from SFr6.4m.




Korea Exchange Bank
£50,000,000 Floating Rate Notes due 1995
 In accordance with the provisions of the above Notes, notice is hereby given that for the three months from 17th March 1988 to 17th June 1988, the Notes will carry an interest rate of 9% per annum.
 The interest payable on each £5,000.00 and £50,000.00 Note on the relevant interest payment date, 17th June 1988, against Coupon 12 will be £113.11 and £1,131.15 respectively.
 Agent Bank:  **Lloyds Merchant Bank**

Notice to the Holders of
The Kinki Sogo Bank, Ltd.
 (the "Bank")
U.S. \$50,000,000
2 1/2% Convertible Bonds due 2003
 (the "Bonds")
 Notice is hereby given that with respect to the issuance of new shares for free distribution authorized at the meeting of the Board of Directors of the Bank held on 10th February 1988, the shareholders appearing on the register of shareholders of the Bank as at the close of business on 31st March 1988 (Thursday) (Japan time) (the record date) will be allocated one (1) new share for each ten (10) shares owned.
 As a result of such authorization of free share distribution the following adjustment of the conversion price for the Bonds shall be made pursuant to Condition 5 of the Terms and Conditions of the Bonds:
 1) Conversion price before adjustment: Yen 1,176 per share
 2) Conversion price after adjustment: Yen 1,069.10 per share
 3) Effective Date of the adjustment: 1st April, 1988 (Japan Time).
THE KINKI SOGO BANK, LTD.
 39-1, Honmachi 2-chome,
 Higashi-ku, Osaka, Japan
 By: The Daiwa Bank, Limited, London as Principal Paying Agent
 23rd March, 1988




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 In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period from 24th March, 1988 to 26th September, 1988 has been established at 7% per cent per annum.
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Eni International Bank Limited
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Unconditionally and irrevocably guaranteed by Ente Nazionale Idrocarburi
 In accordance with the terms and conditions of the Notes, the rate of interest for the interest period March 23, 1988 to June 23, 1988 has been fixed at 6% per annum. Interest payable on June 23, 1988 will be US\$175.69 per Note of US\$10,000.
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Morgan Guaranty Trust Company of New York
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Notice of Prepayment.

The Taiyo Kobe Bank, Limited
U.S. \$40,000,000
Floating Rate Certificates of Deposit due 28 April, 1989
 Notice is hereby given that, in accordance with Clause 3 of the above Certificates, the issuer will exercise the option to prepay the Issue on 28 April, 1988.
 Blanket Trust Company, London Agent Bank
 23rd March, 1988.

This announcement appears as a matter of record only. The securities referred to below have not been registered under the United States Securities Act of 1933 and may not be offered, sold or delivered directly or indirectly in the United States of America, its territories or its possessions or to United States persons.

New Issue



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MONTREAL TRUSTCO INC.
 Can. \$75,000,000
10% Debentures Due March 3, 1993
 Issue Price 101 1/2%

Bank of Montreal Capital Markets Limited

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Crédit Industriel et Commercial de Paris	Crédit Lyonnais
Daiwa Europe Limited	Generale Bank
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March, 1988



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Leadership in M&A

United Kingdom

ADT Limited
(formerly Hawley Group Limited)

has acquired

ADT, Inc.

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National Westminster Bancorp Inc

a wholly owned subsidiary of

National Westminster Bank PLC

has acquired

First Jersey National Corporation

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English China Clays P.L.C.

has acquired

J. L. Shiely Company

The undersigned acted as financial advisors to English China Clays P.L.C.

London International Group plc

has acquired

HATU-ICO S.p.A.

The undersigned acted as financial advisors to London International Group plc and as lead manager of the related convertible Eurobond offering.

The First Boston Corporation
Credit Suisse First Boston Limited

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

City of Edmonton deal incorporates put options

By CLARE PEARSON

HIGHER-YIELDING currency sectors continued to preoccupy the Eurobond market as Eurodollar prices improved on a technical recovery in US Treasury bonds but still saw little cover. The Canadian dollar market, a favourite with lead-managers at the moment, received two further issues following last week's hefty C\$900m worth of deals...

INTERNATIONAL BONDS

Westpac has always borrowed in the Eurobond market in this form. It was quoted as high as less than 14 bid, 1/8 point inside its top fee. Banque Paribas Capital Markets arranged as a club deal with a small group of banks, an A\$80m 12% per cent issue for State Bank of South Australia...

Europaper programme for Bank of China

By Stephen Fisher, European Correspondent THE LONDON branch of the Bank of China, the specialised foreign exchange bank of the People's Republic, is reactivating its short-term borrowing programme in the international market. It has arranged a \$200m programme to issue Eurocertificates of deposit through Credit Suisse First Boston...

Alan Friedman on the motives behind the proposed sale of Buitoni
Benedetti denies Belgian connection

AT THE beginning of this week, Mr Carlo De Benedetti was in one of his more buoyant moods. With the princely sum of L1,800m (\$1,400m) due to come in from the agreement last Friday to sell Buitoni, his pasta and confectionery company, to Nestlé, the Swiss foods group...

A BID by St Louis, the French sugar producer, to acquire the French subsidiary of Italy's Buitoni pasta and chocolates group was last night rejected by Mr Carlo De Benedetti, who last Friday sold the whole of Buitoni assets to Nestlé of Switzerland. After a four-hour meeting in Geneva between Nestlé executives and aides to Mr De Benedetti, a joint announcement was made...

Galactic in Newmont-linked issue

By KENNETH GOODING, MINING CORRESPONDENT

GALACTIC RESOURCES, the Canadian gold mining company, is raising \$36m by way of Luxembourg-quoted debentures exchangeable not only for its own equity but also for shares in Newmont Mining, which is emerging as the biggest gold producer in North America. The 665,000 Newmont shares were acquired last year when...

converted into 50.72 Galactic shares, worth \$6.90 each, and 16.15 Newmont Mining shares, priced at \$40.25 each. This represents a 15 per cent premium over the 250 shares issued on the date of the exchange. The debentures mature in 1995 and carry a 7 per cent coupon. McLeod Young, Weir International was lead manager.

Cerus falls short of La Générale majority

By WILLIAM DAWKINS IN BRUSSELS

CERUS, THE Paris-based holding company struggling to gain control of Société Générale de Belgique, announced yesterday that it had bought another 3.66 per cent of the company but was still just short of gaining a majority stake. The move means the two sides are even more solidly deadlocked than ever in the nine-week battle over Belgium's most powerful conglomerate and will intensify the pressure on them to reach a negotiated solution.

attracted by the high bid price - worth around 2.5 times La Générale's net asset value - to profit from Mr De Benedetti's eagerness. Cerus would not comment last night on exactly how much of La Générale it now owns. But if around half of the latest share purchases came from genuinely uncommitted investors - rather than existing Cerus supporters taking profits - the De Benedetti camp could have around 49 per cent of the company.

FT INTERNATIONAL BOND SERVICE

Table containing various international bond listings including US Dollar, Yen, Swiss Franc, and other denominations with columns for bond name, issue date, and yield.

THE GOLD STANDARD IN METALS EXPERTISE.

Advertisement for Shearson Lehman Hutton, Metals Group, highlighting expertise in metals transactions, research, and investment banking.

Restructuring and crystal problems hit Waterford

BY ANDREW HILL

RESTRUCTURING costs and a disappointing performance from the core crystal divisions sent Waterford Glass Group into the red in 1987.

The Irish company, which owns the Wedgwood china concern, lost £10.3m (£9.9m) before tax in the year to December 31, compared with pre-tax profits of £23.3m in 1986. After tax and extraordinary losses connected with restructuring, the company lost £14.7m.

In the crystal division 1,005 people accepted redundancy terms, compared with the company's estimate of 750. A further 986 lost their jobs at Wedgwood.

Lower crystal sales in the US, the weak dollar's effect on tourist sales in the UK and the Irish republic and second half supply difficulties caused losses of £18.7m in the crystal division, against profits of £17.3m before tax in 1986, but Wedgwood turned in record trading profits of £26.1m in its first full year.

Voluntary redundancy and retirement payments, as well as productivity payments for the

remaining workers cost £35m, taken below the line. This was slightly offset by £5.1m gained on the sale of Aynsley China in December.

Waterford took the £14.8m cost of lost production and stock provisions as an exceptional item. Mr Anthony Brophy, finance director, said yesterday that these losses were caused by the upheavals between September and the year-end when the workforce was considering the company's redundancy terms and then redeployment after 1,000 workers had left.

The company also took the opportunity to introduce new equipment and working practices. Productivity payments connected with this cost £7m.

Turnover at the company increased to £282m (£315m). Borrowings were up to £54.3m (£67.3m), with gearing of about 91 per cent. Losses per share were 4.33p against earnings of 8.62p per share in 1986. The company is recommending a final dividend of 1.60p, making 2.89p for the year, unchanged from 1986.

comment

Waterford has deliberately sacrificed its 1987 results to guarantee a brighter future and now predicts a clear run with the help of its two brand names, probably the company's biggest assets.

However, there is some understandable short-term nervousness about this bill in a china shop. Dollar exposure, reduced from 48 per cent to 30 per cent as a result of the Wedgwood acquisition, could still upset this year's figures. Gearing of 91 per cent looks unhealthy in anyone's books, though Waterford promises a reduction to 60 per cent by the year-end. That said, Wedgwood is providing strong support for the crystal division, which still looks fragile, and in a good year china and crystal will split profits 60:40.

The benefits of restructuring may affect the second half, bringing in profits for 1988 of anything between £37m and £50m. The upper forecast would put the shares, unchanged in London yesterday at 78p, on a prospective p/e of about 8, but it is probably too early to buy for recovery.

Wickes raising £28.7m

By Michael Smith

Wickes, the home improvement retailer, yesterday launched a rights issue to raise £28.7m. Investors will be offered two shares at 225p for every seven ordinary held.

Mr Henry Sweetnam, chairman, said that after the rights issue the company would be cash positive. Gearing presently stands at 17 per cent, if convertible shares are included, and at 64 per cent if they are included.

The company will use the proceeds of the issue to strengthen its financial base and provide long term funds for its investment programme.

Holders of convertible unsecured loan stock will be offered two new shares for every £16.52 nominal. The loan stock is convertible in two years. Shares in the company fell 14p to 260p.

Stanhope Properties profits up sharply

Stanhope Properties, briefly the largest company on the Unlisted Securities Market after its flotation in the week before Black Monday, yesterday reported pre-tax profits of £1.3m (£0.7m) for the six months to the end of 1987.

Turnover rose from £1.2m to £1.63; operating profits declined from £298,000 to £298,000; the share of profits from related companies was £500,000. Interest receivable on the flotation proceeds contributed a net exceptional credit of £328,000.

Pemine Optical flotation details

Pemine Optical has announced details of its flotation on the Third Market. Charlton Seal is placing 800,000 shares at 35p each, valuing the company at £1.4m.

Pemine, which assembles spectacles and imports frames, made profits before tax of £122,000 in 1987. Ignoring directors' additional pension contributions, the historic p/e at the placing price is 11.

Clay Harris on the final stages of Dobson Park's bid for MS

Outcome is finely balanced

THE FINAL days of the takeover battle for MS International are taking on a drama out of all proportion to the £38m value of the bid by Dobson Park Industries - or even the likely impact of the outcome on the British mining equipment industry, in which both companies are important players.

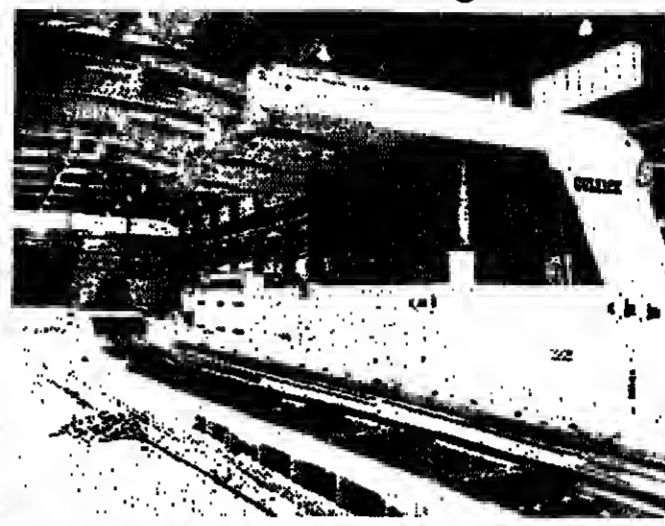
The bid, which closes on Friday, is finely balanced. Dobson Park has bought 22.5 per cent of MS in the market, almost exactly the proportion held on the other side by MS's directors and pension fund, the wife of its founder and County NatWest, its merchant bank.

At 127½p yesterday, even the MS share price was hovering tantalisingly close to Dobson Park's 130p cash offer. Even though this would normally point to success for the bid, it could also reflect recent suggestions by some stockbrokers that the current bullish outlook for MS might help the shares to avoid a sharp fall if the bid fails.

The defence received another boost yesterday when Mr Chris York of stockbroker Citicorp Scrimgeour Vickers said Citicorp clients holding a total of about 15 per cent of MS were extremely unlikely to accept Dobson Park's offer.

Although Mr York has been close to MS for years, dating from his previous work for the company's broker McCannan Dyson Capel Cure, his views are representative of those on one side of the City battle lines. Dobson Park's case has not been proven, and its price is not high enough.

On MS's pre-tax forecast of £3.72m for the year which ends on April 30, Dobson Park's offer would represent an exit p/e of 12.4. This, says Mr Tim Harris of



Hydraulic roof supports made by Dobson Park's Gallic subsidiary set up for a factory test with MS's armoured face conveyor

Phillips & Drew, is an average market multiple and does not represent a premium for control.

Dobson Park, however, has won a healthy chorus of support for its arguments. The combination of its hydraulic roof supports and belt conveyors with MS's armoured face conveyors would create a second UK integrated mining equipment supplier (after Dowty Group) with important marketing benefits.

Of itself, combination would not, however, lead to further rationalisation in the UK mining equipment industry. The two companies do not actually compete on any products - although Dobson Park plans shortly to launch an armoured face conveyor, an outgrowth of its acquisition of Fletcher Sutcliffe

Wild from Booker McConnell (now Booker) in 1983.

Manufacturing and sales overheads could be reduced, of course, and the acquisition would allow Dobson Park to gain the benefit of British Coal's increased spending on armoured face conveyors. Expenditure on the more expensive roof supports has already peaked.

Moreover, Dobson Park's stronger balance sheet would give a more secure platform for earnings growth which has been erratic in recent years at MS.

At the same time, Dobson Park contends, MS's non-mining interests, including defence electronics and specialised casting, would help it to continue to diversify away from dependence on a shrinking mining equipment market. In recent years, Dobson

Park has moved into industrial electronics, power tools and toys. As it applies to MS, however, this argument is largely an afterthought. Dobson Park originally wanted only the mining business. Its full bid was launched in January, only weeks after MS rebuffed its latest approach on this front. The two companies have discussed the possibility of co-operation almost yearly since the late 1970s, when the best chance of merger founded as much on personality as on price.

If the companies have never really got on, this may be traced back to MS's foundation as Mining Supplies nearly three decades ago by Mr Arthur Snipe, a former service engineer for one of the companies which later combined to form Dobson Park and father-in-law of the present chairman, Mr Michael Bell. MS employees have also moved to join Dobson Park.

The story is unlikely to be over even if Dobson Park falls short on Friday. It would retain at least 22.5 per cent of MS, the base for a future bid or for more serious discussions about buying the mining division.

At MS, meanwhile, mining is the least profitable activity and faces a long-term squeeze on margins which is outside the company's control. The group's attachment to its original business should not be over-estimated.

If firm US orders for the stabilised gun mount arrive to compound charges that the defence electronics division is too dependent on one product, and to forestall new fears that MS would be a directionless shell without mining, the group might greet future offers for the mining side with a more open mind.

John Williams after more funds

BY NIKKI TAIT

John Williams, the Welsh foundry and steel-stockholding group where neighbouring Wyndham Group already plans to make a £1m cash injection in return for a sizeable shareholding, yesterday unveiled proposals to raise an additional £1.76m through a rights issue.

The money will provide further "urgent capital", which has apparently been shown to be necessary after a review by the company's auditors. The auditors' review disclosed trading

losses for the foundry of £235,000 in the four months to end-January after interest charges of £79,000, plus an additional exceptional loss of £276,000.

The rights issue involves 7,083m new shares which are being offered on a one-for-one basis at 25p. The Wyndham subscription for 6m new shares will go ahead at the same price. However, Wyndham's stake in Williams will now be only 22 per cent, with Mr Brian Brownhill, chairman of both companies,

holding a further 3.87 per cent. This compares with the previously envisaged 40 per cent level.

Yesterday, Mr Brownhill said the combined fund-raising would clear Williams' debt and leave it with around £1.4m cash. Some of this would go on the foundry operations, but he also said there were a number of commercial investment property deals lined up. Trading results at the foundry for February and March had been more favourable.

Shares in Williams eased 3p to 51p yesterday.

Woodchester bid goes unconditional

Woodchester Investments declared its bid for Moorgate Mercantile Holdings unconditional after receiving acceptances for 61.9 per cent of shares in the leasing and instalment credit group. Woodchester, Irish-based leasing subsidiary of British & Commonwealth Holdings, owned 29.9 per cent of Moorgate before launching the agreed £38m bid.

Munton Brothers deal

Munton Brothers, the Ulster shirt maker whose shares were the worst performing in London in 1987, losing 96 per cent of their value, is to pay £650,000 in shares for UK garment processing, warehousing and distribution operations owned by Winsford Textiles and Selber.

Munton is also to raise £750,000 through a share issue, also priced at 45p. Shareholders will be able

to buy the shares through a one-for-four open offer. Proceeds will be used for working capital and to fund a possible small cash acquisition.

The company said benefits of rationalisation and reconstruction were reflected in current trading. Spring and autumn orders were significantly stronger than for the same period last year.

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UK COMPANY NEWS

Interest charge slows Pleasurama growth

BY FRONA THOMPSON

Pleasurama, the leisure group, yesterday reported a 23 per cent rise from £38.3m to £46.5m in 1987 group trading profits, despite a marginal downturn in profits from its London casinos.

Although this indicates the company is succeeding in its stated aim of decreasing its dependence on London casino earnings, the profits increase falls to just 5 per cent on a pre-tax basis - 44.3m in 1987 compared with 42.3m the previous year.

The 1986 pre-tax figure was boosted by £3m from the sale of the arcade division, while last year's total carried a £4.4m (nil)

interest payable charge. "Second half trading in London casinos was buoyant," said Mr Warren Tuddenham, managing director. But the first half of the five clubs - the Clermont, Maxima, the Gloucester, the Victoria and the Connoisseur - because of the absence of high rollers from the Gulf, meant operating profits for the year from this division slipped from £13.6m to £13.4m.

"When you operate casinos at the top end of the market there is a certain amount of volatility," said Mr Tuddenham, explaining why Pleasurama was diversifying. Mr Nat Solomon, chairman, added that it was "because non

casino earnings are rated more highly by the stock market than casino earnings."

Of the other five divisions, provincial casinos contributed £4.7m (£5.7m), hotels and holidays £9.3m (£8m), amusement and other machine hire and sales £11.7m (£10.9m), catering and general leisure £4.3m (£300,000), and property operations £3.1m (£2.3m).

Acquisitions contributed about £2m to profits last year. The company paid £63m for President Entertainment, with 65 restaurants, in October, a month after buying 36 discotheques from Whitbread for £23m. The acquisition of the Thames Palace Hotel in Ostend marks the company's initial move into continental Europe, "and we are looking for more, in France and Belgium especially," said Mr Tuddenham.

Turnover rose from £191.8m to £241.2m. The tax charge was £14.1m (£14.9m). Earnings per share increased from 12.8p to 13.8p and a final dividend of 4p was recommended, making a total for the year of 6p (4.9p).

up at 192p. Though London casino profits picked up in the second half, the volatility of this source cannot be disguised and the company plans that this division's contribution to profits should drop from the present 26 per cent now to less than 15 per cent by 1990. Significant growth is expected from the hotels and holidays division and catering and general leisure. The latter especially should show a big expansion with a full year's contribution from the Whitbread and President acquisitions. Forecasts of about £50m for this year produce a prospective p/e just under 12.

comment

These results were slightly ahead of City forecasts, the dividend increase was more than expected and the shares closed 6p

Geest tops £14m despite climate

BY DAVID WALLER

DROUGHT AND hurricanes failed to prevent Geest from increasing its 1987 pre-tax profits by two thirds. The banana importer and fresh fruit distributor yesterday reported taxable profits ahead of £11m to £14.1m.

The pre-tax result was flattered by a £3.1m profit on the sales of land and building offset by restructuring costs of £1.6m, making a net exceptional credit of £1.5m.

Trading profits climbed by £2.8m to £15.2m, despite climatic disorder in the Windward Islands, where Geest sources the bananas which accounted for approximately a quarter of group sales of £39m last year.

In the first half of the year, the banana crop was devastated by drought. Then, in September, further damage was inflicted by Tropical Storm Emily which paid an unwelcome visit to St Vincent, the second largest island.

Geest countered this by reducing its imports of low margin green bananas and maintaining sales of higher margin ripe bananas. Overall, banana turnover declined by 13 per cent while operating profits declined only marginally.

The fresh produce division, which in addition to bananas includes sales of fruit and vegetables to the multiple retailers and to wholesalers, generated trading profits of £13.47m (£12.35m) on turnover of £38.4m (£37.7m). Food preparation profits rose

comment

Geest endured a troublesome first full year as a public company, and has emerged with credit. Margins improved overall, vindicating the disposal of the horticultural businesses, and the balance sheet is plump with £20m of cash. Of this, £9m will be deployed on converting Geest's depot in Maidstone to a dedicated distribution centre for Sainsbury's, and a further £2m on expanding food production plant at Spalding. These investments are likely to yield a material contribution to profits only in 1989.

Meanwhile, if the company makes £17m this year, growth in current year earnings will be slight - but, without such a high property profit, their quality will be enhanced. The prospective multiple falls from 14 to 11 if Geest makes £21¼m next year.

Store closures hit profits at Mrs Fields

BY DOMINIQUE JACKSON

A RADICAL store closure programme knocked pre-tax profits at Mrs Fields, the USM-quoted US cookie company. The shares dropped sharply on the announcement that profits rose 3 per cent to £17.7m (£16.7m) from £17.1m in the year to end December 1987.

Mr Randall Fields, chairman, said the company planned to merge with La Petite Boulangerie (LPB), the troubled bakery chain which Mrs Fields Holdings, the parent company, acquired last year from PepsiCo.

The integration of LPB will necessitate comprehensive store rationalisation, for which \$5.2m

was written off in the results. A total of 53 stores, which are either unsuitable for new frozen dough baking technology, have duplicate locations or have underperformed, will be sold or closed at a cost of \$2.5m in 1987 and around \$2.5m in 1988.

The acquisition of LPB, plus a series of tax break investments by parent company Mrs Fields Holdings reduced the company's tax charge for 1987 to nil.

Selling, general and administrative costs, at \$32.6m (£39.4m) were up by 5 per cent as a percentage of sales.

Mr Fields said this figure included \$3.2m costs incurred

developing computer systems. Mrs Fields will pay \$15m of non-dividend paying redeemable preference stock for LPB and, in order to protect earnings, the parent company will indemnify losses for a period of 36 months. The board recommends a final dividend of 5.2 cents, making a total of 7 cents for the year (3 cents).

comment

Mrs Fields has been grappling with a severe image problem since its disastrous USM debut in 1986. Although its cookies appear to be gaining fans in Britain, the

company may have more problems in winning over investors who found yesterday's announcement less than palatable. Any company which insists quality standards are too high to permit franchising exposes itself to management problems most international chains happily delegate. However, Mrs Fields has yet to prove that the way to circumvent these constraints is with such phenomenal investments in training and systems. The LPB merger is another enormous consideration which will essentially alter the nature of the business and although the rationale behind the move seems sound, it

Debbi Fields, chief executive

may be a few years before the current substantial write-offs and investments are transformed into tasty profits. Current year forecasts for \$2m give a prospective multiple of around 14.

Buoyant sales help lift Sharpe & Fisher by 53%

A 53 PER CENT increase in pre-tax profits, from £3.34m to £5.12m, was announced by Sharpe & Fisher, Cheltenham-based builders' merchant, for 1987.

Turnover improved by 25 per cent to £75.82m (£60.87m) and the directors said that buoyant sales experienced in the latter half of the year had continued into the first two months of 1988. They anticipated that 1988 would be a record year.

A final dividend of 3p (2.25p) is

recommended, making a total for the year 1p ahead at 4p. Earnings improved from 10.8p to 17.3p.

Building Supplies exceeded its target of a 5 per cent return on sales. The directors planned to expand that side of the business. The pre-tax figure was split as to building supplies £2.18m (£1.36m), DIY stores £2.47m (£1.86m) and properties £110,000 (£127,000). There was also a £364,000 surplus on the sale of freehold property.

Tax rose to £1.69m (£1.21m).

John Maunders up 45%

For the half year to end-December 1987 John Maunders, house builder, lifted pre-tax profits by 45 per cent from £1.21m to £1.76m.

An interim dividend of 1.05p (0.87p adjusted) is being paid from earnings per 20p share ahead from 4.7p to 4.48p.

Turnover rose by 19 per cent to £16.8m (£14.14m). There were 343 (351) units sold and Mr John Maunders, the chairman, said

that forward sales were at a record level. Consequently, he was confident of announcing excellent trading results for the year.

The buoyant second time buyer market, accounted for about 75 per cent of group sales and almost 100 per cent of sales in the southern division.

At December 31 the land bank stood at a value of almost £20m.

Lancaster nears £3m

Record pre-tax profits have been reported by Lancaster, an expanding UK retail motor group, in its first year as a public company. Profits rose 56 per cent from £1.5m to £2.38m, and were achieved as a result of increased business in all parts of the group.

Mr Nicholas Lancaster, managing director, said the second half showed further improvement on the excellent levels achieved in the opening half.

Looking at the prospects for 1988, Mr Jeremy Brown, the chairman, said: "The current year has started well."

Group turnover for 1987 was 41 per cent higher at £111.57m.

A dividend of 2.1p is being recommended. Stated earnings per 25p share improved from 10p to 15p.

Tay Homes 41% ahead

Tay Homes, USM-quoted estate designer, developer and builder, has achieved a 41 per cent rise in interim pre-tax profits from £330,000 to £1.31m.

Turnover in the six months to end-December 1987 was £9.49m, compared with £7.27m previously. The interim dividend is being increased from 1.77p to 2.07p on earnings per share of 11.8p against 10.8p restated.

The directors said the group was trading strongly with excellent sales in its main operating regions around Leeds and Glasgow and also in the recently established south-west region based at Plymouth. An operating region had also been established at Milton Keynes. This structure would form the springboard for substantial future growth.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the sub-divisions shown below are based mainly on last year's time-table.

TODAY

British Overseas Airways Corp.	Mar 23
British Telecommunications	Mar 23
British Waterways Board	Mar 23
British Wool Marketing Board	Mar 23
British Wool Textiles Ltd	Mar 23
British Wool Textiles (No. 2) Ltd	Mar 23
British Wool Textiles (No. 3) Ltd	Mar 23
British Wool Textiles (No. 4) Ltd	Mar 23
British Wool Textiles (No. 5) Ltd	Mar 23
British Wool Textiles (No. 6) Ltd	Mar 23
British Wool Textiles (No. 7) Ltd	Mar 23
British Wool Textiles (No. 8) Ltd	Mar 23
British Wool Textiles (No. 9) Ltd	Mar 23
British Wool Textiles (No. 10) Ltd	Mar 23
British Wool Textiles (No. 11) Ltd	Mar 23
British Wool Textiles (No. 12) Ltd	Mar 23
British Wool Textiles (No. 13) Ltd	Mar 23
British Wool Textiles (No. 14) Ltd	Mar 23
British Wool Textiles (No. 15) Ltd	Mar 23
British Wool Textiles (No. 16) Ltd	Mar 23
British Wool Textiles (No. 17) Ltd	Mar 23
British Wool Textiles (No. 18) Ltd	Mar 23
British Wool Textiles (No. 19) Ltd	Mar 23
British Wool Textiles (No. 20) Ltd	Mar 23

PRUDENTIAL CORPORATION INCREASES PROFIT AND DIVIDEND.

RESULTS 1987

	1987	1986
	£m	£m
Profit before tax:		
Life, pensions and other long-term business	153.9	145.5
General insurance business	41.0	18.3
Investment management (UK)	6.4	1.4
Unit trusts & PEPs	6.1	4.6
Estate agency	4.5	(2.1)
Shareholders' other income	48.1	83.2
	260.0	250.9
Transfer to revaluation reserve	(17.6)	(44.4)
Total profit before tax	242.4	206.5
Tax and minority interests	(67.9)	(72.4)
Profit attributable to shareholders	174.5	134.1
Earnings per share	47.9p	39.3p
Dividend per share	34.0p	29.0p
Policyholders' bonuses	£992.6m	£977.4m

The abridged income statement for 1987 is an extract from the latest accounts. These accounts have not yet been delivered to the Registrar of Companies, nor have the auditors reported on them. Accounting policy: This year, for the first time, the results for general insurance and shareholders' other income include investment gains averaged over the last 5 years. The figures for 1986 have been adjusted accordingly.

LONG-TERM BUSINESS
Underlying growth of profit was masked by the strength of sterling. Changes in United Kingdom bonus rates produced improved proceeds on longer duration policies.

GENERAL INSURANCE BUSINESS
There was a significant improvement in the United Kingdom despite substantial bad weather claims. Rather motor results reflected the corrective action taken in recent years. The increase in profit from International business was held back by storm damage in Canada and Europe. Reinsurance profits were substantially higher than in 1986.

INVESTMENT MANAGEMENT (UK)
The strong rise in profit reflected the increased value of funds under management and the benefits of fees related to investment performance.

UNIT TRUSTS AND PEPs
The results benefited from unit trust sales which more than doubled.

ESTATE AGENCY
The estate agency chain more than doubled in 1987 and now has over 700 branches. The aim is to achieve complete coverage of Great Britain through a network of around 1,000 outlets before the end of 1989. The growth of profit was inevitably held back by the initial effects of rapid expansion.

SHAREHOLDERS' OTHER INCOME
The reduction in shareholders' other income was mainly due to a £25m increase in the interest on borrowings made to finance the acquisition and expansion of Jackson National Life and Prudential Property Services.

Copies of the Annual Report will be available on 28th April from the Registrar's Department at the address below.

PRUDENTIAL CORPORATION PLC,
142 HOLBORN BARS, LONDON EC1N 2NE.

- * Earnings per share increased by 22% to 47.9p
- * Dividend increased by 17% to 34p per share.
- * Pre-tax profits increased by 17% to £242m
- * Good underlying growth in long-term business.
- * Substantially higher profit from general insurance.
- * Increased profits from investment management.
- * Substantial increase in unit trust sales.
- * Rapid progress in development of estate agency operations.



FINANCIAL WEEKLY

IN TOMORROW'S ISSUE

TARGET JAPAN
BEATING THEM AT THEIR OWN GAME

J SAINSBURY
FIVE STAR RETAILER

JAMES CAPEL LOSES
ITS WINNING STREAK

Every Thursday from your newspaper
BOUGHT BY PROFESSIONALS

Handwritten signature or note at the top center of the page.

Financial Times Wednesday March 23 1988 CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Pound, dollar slightly firmer

STERLING SHOWED a modest improvement on the day in currency markets, but hesitated at the prospect of testing the DM10 level. There was insufficient volume or incentive to tempt intervention by the Bank of England, which some dealers described as a real threat. If the pound broke through this level, others however, felt that the pound's recent strength was a short term phenomenon, and that the authorities would not act aggressively unless the DM15 level was threatened.

The figures were seen as just another part of the jigsaw in the recession versus growth argument, giving some sustenance to the bears. Factors to encourage a switch out of dollars have been thin on the ground just recently but Mr Neil MacKinnon, an economist at Nomura Research Institute, suggested that the current political uncertainty has placed a higher risk premium on the dollar. He added that the absence of any real progress in reducing the US budget deficit - currently out of the limelight - and the possibility of higher growth sucking in more imports, were factors likely to exert downward pressure on the US dollar.

£ IN NEW YORK

Table showing exchange rates for £ in New York, including columns for Mar 22, Last, and Premium.

STERLING INDEX

Table showing the Sterling Index with columns for Mar 22, Last, and Premium.

CURRENCY RATES

Table of currency rates for various countries including US Dollar, Canadian Dollar, Australian Dollar, etc.

CURRENCY MOVEMENTS

Table showing currency movements with columns for Mar 22, Bank of England, and Change %.

OTHER CURRENCIES

Table of other currencies including Argentina, Australia, Brazil, Canada, etc.

MONEY MARKETS

Rates little changed

INTEREST RATES were little changed on the London money market yesterday, as sterling failed to break through DM10 against the D-Mark on the foreign exchanges. Trading was quiet, and dealers waited to see whether Friday's UK trade figures provide any further guidance.

Three-month interbank was quoted at 8 1/2% p.c., compared with 8 1/4% p.c. on Monday. The Bank of England initially forecast a money market shortage of £500m, but revised this to £450m at noon, and then to £550m. In the afternoon, the authorities suggested the shortage was around £500m. Total assistance of £422m was provided.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various countries.

POUND SPOT - FORWARD AGAINST THE POUND

Table showing Pound Spot - Forward Against the Pound for various terms.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table showing Dollar Spot - Forward Against the Dollar for various terms.

EURO-CURRENCY INTEREST RATES

Table of Euro-currency interest rates for various currencies and terms.

EXCHANGE CROSS RATES

Table of exchange cross rates for various currency pairs.

FINANCIAL FUTURES

Gilts follow bonds in dull trade

LONG TERM gilts followed movements in US Treasury bonds in dull trading on Life yesterday. Short covering in the US bond market, on weaker than forecast US durable goods orders, lifted Barclays de Zoete and Bond's US Treasury bond futures contracts by a gradual improvement of sterling against the D-Mark.

LIFFE LIABILITIES FUTURES OFFERS

Table of LIFFE liabilities futures offers for various currencies.

LIFFE US TREASURY BOND FUTURES OFFERS

Table of LIFFE US Treasury bond futures offers.

LIFFE EURO-DOLLAR FUTURES OFFERS

Table of LIFFE Euro-dollar futures offers.

LIFFE 3-MONTH STERLING

Table of LIFFE 3-month sterling futures offers.

LIFFE 12-MONTH STERLING

Table of LIFFE 12-month sterling futures offers.

LIFFE 18-MONTH STERLING

Table of LIFFE 18-month sterling futures offers.

LIFFE 24-MONTH STERLING

Table of LIFFE 24-month sterling futures offers.

LIFFE 30-MONTH STERLING

Table of LIFFE 30-month sterling futures offers.

LIFFE 36-MONTH STERLING

Table of LIFFE 36-month sterling futures offers.

LIFFE 42-MONTH STERLING

Table of LIFFE 42-month sterling futures offers.

LIFFE 48-MONTH STERLING

Table of LIFFE 48-month sterling futures offers.

LIFFE 54-MONTH STERLING

Table of LIFFE 54-month sterling futures offers.

LIFFE 60-MONTH STERLING

Table of LIFFE 60-month sterling futures offers.

LIFFE 66-MONTH STERLING

Table of LIFFE 66-month sterling futures offers.

LIFFE 72-MONTH STERLING

Table of LIFFE 72-month sterling futures offers.

LIFFE 78-MONTH STERLING

Table of LIFFE 78-month sterling futures offers.

LIFFE 84-MONTH STERLING

Table of LIFFE 84-month sterling futures offers.

SYSTEMTREND GUARANTEED LIMITED MARCH 1993 SHARES

SYSTEMTREND LIMITED UP 55.8% IN 1987 NOW THE MANAGERS OFFER SYSTEMTREND GUARANTEED

- Invests in US Treasury Bonds to ensure the return of at least an investors' initial capital at maturity (March 1993). Will apply similar disciplined trading models to some 50 international Futures and Options markets to those of Systemtrend Limited. Aims to achieve superior long term capital growth. Can profit equally from bear as well as bull markets. Minimum subscription \$10,000 - No initial sales charge. Is managed by CL-Alexanders Rouse (Bermuda) Ltd, a wholly owned subsidiary of Credit Lyonnais SA. Is on offer until 29th April 1988.

Form for requesting a prospectus, including fields for Name, Address, and Telephone number.

BLOCKED FUNDS

We purchase and sell blocked funds worldwide. Does your Co have currency/bonds in foreign countries? Will pay top dollar/fast executions. Brokers protected.

Table of blocked funds with columns for currency/bond types and prices.

I.G. INDEX LTD, 9-11 GRDSEVDR GARDENS, LONDON SW1W 0DB

Table of I.G. Index Ltd services and contact information.

Large advertisement for Chicago Board of Trade with the headline 'WE BELIEVE THE DEMANDS OF THE MARKET SHOULD DETERMINE THE PRICE OF THE MOMENT' and a large 'X' graphic.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, May 88, Jun 88, Jul 88, and Stock prices. Includes sub-sections for May 88, Jun 88, and Jul 88.

TOTAL VOLUME IN CONTRACTS: 31,707

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

Table of base lending rates for various banks and currencies, including UK, US, and other international rates.

AUTHORISED UNIT TRUSTS

Large table listing various unit trusts, their managers, and performance metrics. Includes sub-sections like 'Authorised Unit Trusts', 'Investment Managers Ltd', 'Fidelity Investment Services Ltd', etc.

ESSEX The Financial Times proposes to publish this survey on: 6th MAY. For a full editorial synopsis and advertisement details, please contact: Brent Trafford on 01-248 8000 ext 5116 or write to him at: Bracken House 10 Cannon Street London EC4P 4BY. FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

FT CROSSWORD No.6,588 SET BY DANTE

Crossword puzzle grid with numbers 1-31 indicating starting positions for clues.

ACROSS 1 Chest? He sounds as though he's got a bad one (6) 2 Precise bill put before a junior minister (8) 3 He mingles with the crowd to get food (7) 4 Literary supplements (7) 5 Cents harder comes to play (4) 6 Mint a copper sovereign (10) 7 Lost one's temper with a guard (6) 8 Sees trouble, grabs a hat and gets out (7) 9 Indeed it's 12+ cents charged to one's account (7) 10 The Pope goes out to meet the French nation (6) 11 Hot stew taken in (by medical order) (10) 12 It's bad form not to (4) 13 I'd learn about part of the British Isles (7) 14 A little Latin is required (7) 15 Colours of average quality (8) 16 Wizard flier (8) 17 In any case no trouble (5) 18 Supply with power (6) 19 Instruct a lawyer to be precise (8) 20 Crook held in goal in N. Sea Island (10) 21 Curious, prim Alice learnt by experience (6) 22 Confuse by suggesting that one should be less calm (8) 23 Director of the main course (8) 24 It is included in a doctor's rounds (6) 25 May be easy or sticky (5) 26 The "thank you" letter one gets from Greece (5) 27 Woodcutter found wandering in a gaze (4) Solution to Puzzle No.6,587

FT UNIT TRUST INFORMATION SERVICE

Handwritten note: "لا تتركها لي"

Main table containing unit trust information, including columns for company names, fund names, and numerical values. The table is organized into multiple columns and rows, with a central 'INSURANCES' section.

INSURANCES

Continued on next page

المجلة الاقتصادية

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Manager, and other details.

Table of London Share Service, including sections for British Funds, Foreign Bonds & Rails, and Americans, with columns for Name, Price, and other financial metrics.

Table of Money Market Trust Funds, listing various trust funds with columns for Name, Price, and other details.

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American stocks with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads stocks with columns for stock name, price, and change.

DRAPERY AND STORES - Contd

Table listing drapery and stores stocks with columns for stock name, price, and change.

ENGINEERING - Contd

Table listing engineering stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing industrial stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing industrial stocks with columns for stock name, price, and change.

CANADIANS

Table listing Canadian stocks with columns for stock name, price, and change.

ELECTRICALS

Table listing electrical stocks with columns for stock name, price, and change.

BANKS, HP & LEASING

Table listing bank, HP, and leasing stocks with columns for stock name, price, and change.

CHEMICALS, PLASTICS

Table listing chemical and plastic stocks with columns for stock name, price, and change.

FOOD, GROCERIES, ETC

Table listing food, grocery, and other stocks with columns for stock name, price, and change.

DRAPERY AND STORES

Table listing drapery and stores stocks with columns for stock name, price, and change.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit stocks with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads stocks with columns for stock name, price, and change.

ENGINEERING

Table listing engineering stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing industrial stocks with columns for stock name, price, and change.

HOTELS AND CATERERS

Table listing hotel and catering stocks with columns for stock name, price, and change.

INSURANCES

Table listing insurance stocks with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads stocks with columns for stock name, price, and change.

ENGINEERING

Table listing engineering stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing industrial stocks with columns for stock name, price, and change.

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INDUSTRIALS (Misc.)

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INDUSTRIALS (Misc.)

Table listing industrial stocks with columns for stock name, price, and change.

LONDON SHARE SERVICE

INSURANCES - Contd

Table of insurance companies including Royal Indemnity, Commercial Union, and others, with columns for stock price, change, and volume.

PAPER, PRINTING, ADVERTISING - Contd

Table of paper, printing, and advertising companies including Newsprint, Printers, and Advertisers.

TEXTILES - Contd

Table of textile companies including various spinning and weaving firms.

TRUSTS, FINANCE, LAND - Contd

Table of trusts, finance, and land companies including investment trusts and financial institutions.

OIL AND GAS - Contd

Table of oil and gas companies including exploration and production firms.

MINES - Contd

Table of mining companies including various metal and coal producers.

LEISURE

Table of leisure companies including hotels, resorts, and entertainment firms.

PROPERTY

Table of property companies including real estate and development firms.

TOBACCO

Table of tobacco companies including cigarette and pipe manufacturers.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies (continued).

OVERSEAS TRADERS

Table of overseas trading companies including import and export firms.

THIRD MARKET

Table of third market trading activity including various international securities.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies including manufacturers and dealers.

COMMERCIAL VEHICLES

Table of commercial vehicle companies including truck and bus manufacturers.

COMPONENTS

Table of component companies including parts and accessories manufacturers.

GROUPS AND DISTRIBUTORS

Table of groups and distributors including retail and wholesale firms.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies including print and digital media.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising companies (continued).

SHIPPING

Table of shipping companies including maritime transport firms.

SHOES AND LEATHER

Table of shoes and leather companies including footwear manufacturers.

SOUTH AFRICANS

Table of South African companies including various regional firms.

TEXTILES

Table of textile companies (continued).

OIL AND GAS

Table of oil and gas companies (continued).

MINES

Table of mining companies (continued).

Notes and disclaimers regarding the data provided, including references to the London Stock Exchange and various market conditions.

LONDON STOCK EXCHANGE

Leading shares drift lower as volume contracts again but Gilts rally in quiet trade

Account Dealing Dates table with columns for Account, Dealing, and Date.

The continued absence of a positive lead from the UK institutions on investment prospects meant another session of muted interest and low volume in UK security markets yesterday.

With both Wall Street and the Tokyo market hoisting dull signals overnight, equities were assured of a drab trading performance.

A small 'buy' programme was mentioned but there was little increase in futures-related activity, which usually signifies a change by a marked expansion in business.

The challenges to UK industry, the Chancellor urged industrialists to outperform overseas rivals now Government had reduced taxes and improved the environment for business.

One result of the indecision curbing affecting markets was a further contraction in equity turnover. Only 513.7m shares were traded, the lowest for some weeks.

Currency and US bond influences touched off early re-cycling of Gilts-Edged stock but trading soon slowed and the steam went out of the market.

Foreign investors held back waiting to see if sterling would test D-mark 3.10 again - the rate closed at 3.075 - although it is far from certain whether the UK authorities would intervene at that level.

Domestic operators made minor excursions into the market, but generally seem content with present weightings ahead of the UK trade figures, due on Friday.

Dealers said the continued substantial turnover in the stock reflected big two-way interest in front of a major presentation to the futures market which took the 'tootsie' contract to a short-lived reasonable premium over the index.

Despite the current uncertainty caused by the labour dispute at P & O European Ferries (Dover) over redundancies and changes in working practices, the P & O share price moved ahead strongly in a volume of some 2.6m shares to close 16 higher at 60p.

Plessey also attracted a large turnover - 5.7m shares being traded. There were stories that Friday's egn vote on the telephone merger with GEC could be affected.

The surprise cancellation of the Press conference to have been held by Rihwani Lukman, the FTSE President, triggered a sudden downward spiral in crude oil prices - May Brent dropped more than 50 cents a barrel at one point - and sent oil shares tumbling.

Merchants banks included an outstanding performer in Morgan Grenfell, which jumped 8 to 267p after being described by

FINANCIAL TIMES STOCK INDICES table showing various indices like Government Secs, Fixed Interest, Ordinary, Gold Mines, etc. with columns for Mar 22, Mar 21, Mar 20, Mar 17, Mar 16, Mar 15, Year Ago, and High/Low.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

Forecast: The group revealed pre-tax annual profits of £274.7m, which compared with a top market estimate of £266m, and only £174.1m the previous year.

Life assurance suffered from lack of interest but were additionally unsettled by preliminary figures from Prudential which were "well below best estimates" according to one trader.

Offerings of Pearl Group found willing buyers, adding to stories that Larry Adler's FAI could well be back in the market.

The Building sector gave another resilient performance with leading issues edging higher on selective demand.

Merchants banks included an outstanding performer in Morgan Grenfell, which jumped 8 to 267p after being described by

outcome of the battle for control of America's Federated Department Stores which should be known by the end of the week.

Sears showed a turnover of 8.5m and were similarly unchanged at 18p but not before stories had done the rounds to the effect that the Al-Frayeds could be adjusting their shareholding in the group.

Burton Group dipped 3 to 25p on turnover of 2m reflecting profit-taking after the group revealed interim profits of £10.6m - eight on market estimates.

Food Retailers turned easier in the absence of any worthwhile business, Argill shedding 4 to 20p and Peabody losing a similar amount at 18p.

Against the trend, Barker and Dolson firmed 5 to 11p ahead of today's preliminary figures, and Kwik Save gained 10 to 35p following a squeeze on traders' short book positions.

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The annual results, were unchanged yesterday after a Phillips and Jewry presentation. The return of business in International stocks failed to expand from recent low levels.

International stocks failed to expand from recent low levels. Sentiment remained uncertain but quotations rarely strayed from their overnight positions and closing movements were no worse than narrowly mixed.

Hunter, reflecting bumper preliminary figures and the proposed three-for-one scrip issue, moved up 10 to 28p, while Uni-group, still responding to the half-year profits recovery, put on 5 more to 63p.

Trinity International Holdings, the newspaper publisher, was unchanged at 18p but not before stories had done the rounds to the effect that the Al-Frayeds could be adjusting their shareholding in the group.

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FT - ACTUARIES INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Tuesday March 22 1988, and various financial metrics like Index, Change, etc.

FIXED INTEREST

Table showing Average Gross Redemption Yields for various terms like 5 years, 10 years, etc.

40 opening index 1836.4; 10 am 1839.5; 11 am 1840.1; Noon 1840.2; 1 pm 1836.9; 2 pm 1836.6; 3 pm 1837.0; 3.30 pm 1836.6; 4 pm 1836.5

LONDON TRADED OPTIONS

Table showing CALLS and PUTS for various options like Alltel, B.P., etc.

NEW HIGHS AND LOWS FOR 1987/88

Table listing new highs and lows for various stocks like ASDA Group, Allied-Lynx, etc.

BRITISH FUNDS

Table showing RISES AND FALLS YESTERDAY for various British funds.

Totals: 802 753 1,422

LONDON RECENT ISSUES

Table showing recent issues for various stocks like ASDA Group, Allied-Lynx, etc.

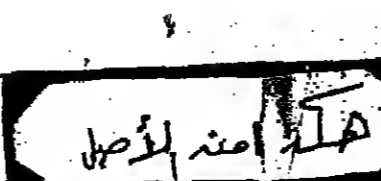
BRITISH FUNDS

Table showing RISES AND FALLS YESTERDAY for various British funds.

FIXED INTEREST STOCKS

Table showing recent issues for various fixed interest stocks.

Underlying security price



WORLD STOCK MARKETS

Table with columns for country (Australia, France, Germany, Netherlands, Sweden, Switzerland, Norway, Italy, Spain, Finland, Japan), date (March 22), and stock prices with percentage changes.

Table with columns for country (Australia, Canada, Hong Kong, India, Korea, Malaysia, Singapore, Taiwan, Thailand, UK, USA), date (March 22), and stock prices with percentage changes.

CANADA

Table with columns for stock name, price, high, low, and change. Includes Toronto Closing Prices for March 22 and MONTREAL Closing Prices for March 22.

OVER-THE-COUNTER

Table with columns for stock name, price, high, low, and change. Includes Continued from Page 45 and various OTC stock listings.

INDICES

Table with columns for index name (Dow Jones, Nikkei, etc.), date, and values. Includes NEW YORK, CANADA, and WORLD indices.

CHIEF LONDON PRICE CHANGES YESTERDAY

Table with columns for stock name, price, and change. Includes RISES and FALLS sections.

Advertisement for Helsinki & Esposoo with text: 'Have your F.T. hand delivered... at no extra charge, if you work in the business centres of HELSINKI & ESPOO'.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Stock	High	Low	Open	Close	Change	Volume	Stock	High	Low	Open	Close	Change	Volume
AA	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABB	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
AB	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABC	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABD	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABE	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABF	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABG	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABH	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABI	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABJ	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABK	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABL	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABM	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABN	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABO	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABP	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABQ	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABR	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABS	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABT	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABU	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABV	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABW	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABX	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABY	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100
ABZ	142.00	141.00	141.00	141.00	-0.25	100	IBM	165.00	164.00	164.00	164.00	-0.50	100

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NYSE COMPOSITE CLOSING PRICES

Main table of NYSE Composite Closing Prices, listing various stocks with columns for stock name, price, and change.

AMEX COMPOSITE CLOSING PRICES

Main table of AMEX Composite Closing Prices, listing various stocks with columns for stock name, price, and change.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of Over-the-Counter (Nasdaq) closing prices, listing various stocks with columns for stock name, price, and change.

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